2021

Annual Report

Looking for **Balance**

Throughout our life, often
We are called upon to balance things
In our body, our life, our relationships, and our beliefs

To reach balance, we must
Integrate different elements
In a kind of equilibrium
So that they do not fall
And no value is lost

Balance demands choices
To adopt some
To push away others
In a continuous pursuit
For innovation and sustainability

A balanced planet
Preserves longer lives
A balanced life
Preserves endless happiness
A balanced enterprise
Preserves continuous success

The balance requires
Boldness
Ambition
Long-term
Alert
Nurturing
Commitment
Embracement

When we wrap food or beverages in glass
We preserve the balance of its
Nutrients, Flavours and Colours
Respecting our planet

We **Balance** within the Glass!

Sustainability Report

Management Report

Message from the Chairman

To all stakeholders,

At the beginning of 2021 it was difficult to imagine what the year would turn out to be like. The business world and society were struggling to predict the evolution of the COVID pandemic with new variants and unexpected outcomes ignoring all predictions and despite the successful vaccination campaigns in most of Europe. At the same time, demand from our clients was accelerating with an unprecented number of variations to planned amounts and mix.

For BA Glass the year started well with our teams showing good resilience and flexibility despite the growing supply chain difficulties. Despite the inevitable losses of productivity caused by the growing number of job changes and furnace adaptations, we were able to operate at profitability levels that were not too far from our industry benchmark levels and profit and grow alongside our customers. Additionnaly, the overall positive consumption trend the underlying growth rate of our industry on the back of the health and environmental credentials of glass packaging, brought a great opportunity to recover sales in some of the most affected segments during the pandemic and conquer new clients.

As the year progressed, the energy crises began to unfold with gas prices skyrocketiting with huge volatility affecting directly electricity prices in most of Europe. European countries and the EU were not prepared for this situation with a huge dependance of Russia as its main gas supplier. Price setting mechanisms, alternative suppliers, infrastructure (Liquid Gas terminals, alternative pipelines from othe regions and intra EU connectivity) were not there as would have been necessary to avoid a crisis of this proportion. Industries where energy can represent more than half of their costs, were put in a direposition. BA Glass was particularly vulnerable as it operated with an energy procurement policy almost entirely based on short term market prices. This policy had served the company and our customers extremely well for several decades as BA Glass with its strong balance sheet had always been in a postition to dampen the market cycles avoiding the long term additional costs of hedging to the benefit of our clients and our company. The scale of the variations in energy prices were of a completely different magnitude and the dampening of energy costs impacts made the good performance of the first half nose divein the 3rd quarter and reach levels close to zero in the 4th quarter with a lot of our plants operating with negative results to serve our customers and fulfil our commitments.

The situation was unsustainable and the development of the difficult political relations with Russia to a war situation have created market expectations that this unimaginable level of energy prices wil prevail for the coming years. The whole industry is now affected to a large extent independently of previous hedging policies, and at the end of the year the outlook for 2022 seemed to be an inevitable large surge in inflation of packaging industry pricing levels.

Despite the very strong 1st half, overall for the year, our EBITDA margin decreased 10.8 percentual points against 2020, and making 2021, one of the worst results of the last decades.

Despite these crisis and the focus of resources they demanded we were able to continue working hard and progressing on our long term competitiveness. All plants worked to reduce consumption and costs, to increase efficiency, and to overcome operational records. Furthermore, all the preparation for a new furnace, which will increase BA productive capacity in the Southeast Europe, and a furnace rebuilding in Iberia were done without any constraints, and both furnaces were ready and started up at the beginning of 2022.

A business digitalization acceleration plan was conceived to increase short term and long term productivity gains, provide better data to make decisions, better working conditions for the BA employees, and better products made in glass to all the consumers. Digitalization comes along with people upskilling and the opportunities given to develop further their skills.

Furthermore we continued to push ourselves on setting increasingly demanding environmental targets and accomplishing all existing targets. The roadmap to achieve BA´s commitments, as well as the investments program in photovoltaic power panels and the study for a greener hybrid furnace continued at a good pace.

As happened in the previous year, BA team was an example of flexibility and courage to overcome the unexpected changes in the industry, in the market, and in the society, and ensure the continuity of the business. Deep-rooted in BA way guidelines, business decisions were taken with the confidence that glass will continue to be the best packaging material from the past into the future.

In 2021 we surpassed the iconic number of 1 billion Euros of sales. We are not celebrating because we are suffering financially and conscious that 2022 will bring difficult challenges to our customers too as this cost inflation tricles down the value chain but I am nevertheless extremely thankful to all of our 3990 employees for another year of full commitment, overcoming the unexpected and believing in the future; to the country governments and associations that are vigilant, trying to support the glass industry; to our customers all over the world for valuing our intense efforts and financial pain and maintaining long term partnerships; and to all the consumers that continue to trust in glass.

An unimaginable war started and it is neither easy to see how it will end nor to rule out far more widespread consequences. We are particularly focused on possible energy and safety conditions in our countries which are closest to the conflict. We will continue to pursue every opportunity that we can to improve our operations, our products, the service to our customers, the working conditions of our employees and our impact on the environment and society at large.

10 May 2022

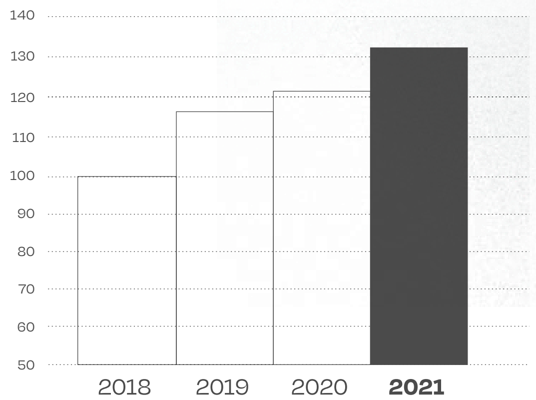
Consolidated Key Figures

K. €	2021	2020
Turnover	**1 016 298**	930 718
Operating profit (EBIT)	**159 390**	236 111
Financial results	**-1 292**	-14 603
Net income	**133 544**	183 518
Cash flow	**222 856**	275 465
Operating cash flow (EBITDA)	**248 702**	328 058

K. €		
Net assets	**1 521 090**	1 532 348
Equity	**614 115**	716 986
CAPEX	**100 830**	112 227
Net debt	**389 490**	401 191
Net tangible fixed asset turnover	**1,70**	1,59
Net debt / EBITDA	**1,57**	1,22
Interest cover ratio	**19,4**	28,8
EBITDA / Sales	**24,5%**	35,2%
EBIT / Sales	**15,7%**	25,4%
Number of Employees (FTE)	**3 990**	3 992
Sales/Employee (FTE)	**254,7**	233,1

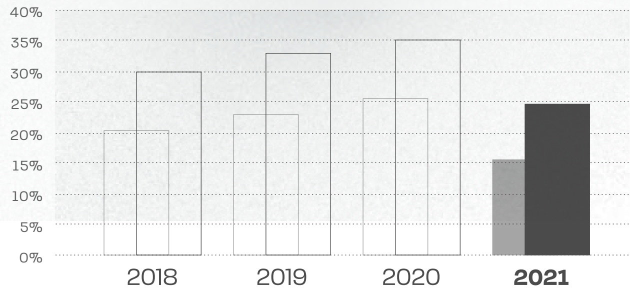
Sales per capita

Base 100 = 2018

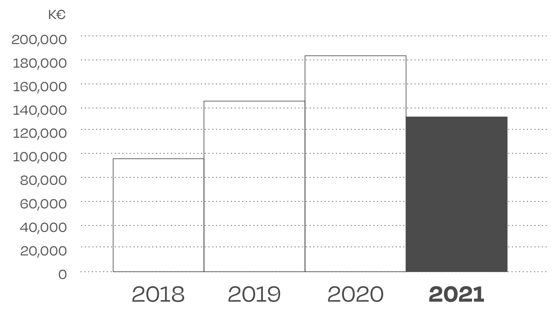


SINCE 2018 WE START USING THE FTE MEASURE INSTEAD OF INTERNAL EMPLOYEE.

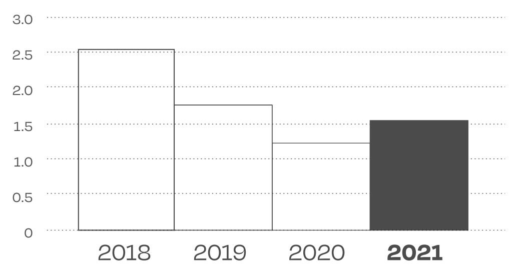
EBIT/ Sales
EBITDA / Sales



Consolidated Net Income



Net debt / EBITDA



Introduction

A year to forget, and a year to remember!

To the Shareholders,
We hereby present the 2021 Annual Report

A year to forget, and a year to remember!

2021 started full of uncertainties about the economic recovery, but the reduction in the number of deaths after vaccination, led us to believe it could be a more typical year.

The year started cautiously in terms of production and consumption levels. The vaccination programmes were bringing hope that everything would get back to normal. But when? Visibility about the future was still hazy, and no one could imagine the challenges that lay ahead of us.

Despite restrictions on social activities, it didn't take too long to see a fast start-up of the economic activities that had been on hold during the most challenging periods of the pandemic.

The low level of inventories in many of the supply chains created disruptions everywhere. The restart of economic activities was challenging and pushed up the prices of commodities like energy and various raw materials. Anxiety increased across the industries and supply chains, and speculation began!

And the uncertainty is being fueled by a huge turbulence in energy transition! The lack of coordination across European countries and governments taking disruptive energy production decisions has uncovered a deep-rooted historical dependency within Europe on energy supplied from non-European countries.

At a glance, an incredible surge in the price of energy took place during the summer, generating a level of turbulence for which Europe was not and will not be prepared for anytime soon!

Many governments and analysts claimed it would be transitory, but it wasn't, and we all quickly realised that it would last and may well change some businesses dynamics.

For the first time since the beginning of the century, the glass packaging industry was hit, not by the lack of demand for glass, but by an excessive cost burden that, within a few months, made several sales agreements much less profitable and financially unbalanced.

The year 2022 began with the disclosure of increasing inflation rates in the leading European economies, and the conflict with Russia is weakening the European energy balance. Suddenly, rising energy prices hit the headlines of national and worldwide newspapers. And from a transitory scenario, Europe entered into a critical situation, and it is not expected to be resolved shortly.

We committed to science-based targets and set, as our target for 2035, a 50% reduction of CO_2 emissions per ton of glass produced.

European economies are very dynamic and show no signs of slowing down. High inflation is a significant threat, and the possibility of rising interest rates creates some fears about a full recovery.

The glass industry ended the first part of 2021 with low inventories and considerable growth in demand. The scarcity of glass started to be a common problem in all European countries, and many requests to export to other continents came from multinational customers. As in other industries, after the stoppage of capacity during 2020, the industry has not been able to supply market demand.

The impressive recovery in demand could be seen as a compensation for the lack of demand during the pandemic. But an unprecedented surge in energy prices severely damaged the profitability of an energy-intensive industry, with consequences on the future growth capacity investments.

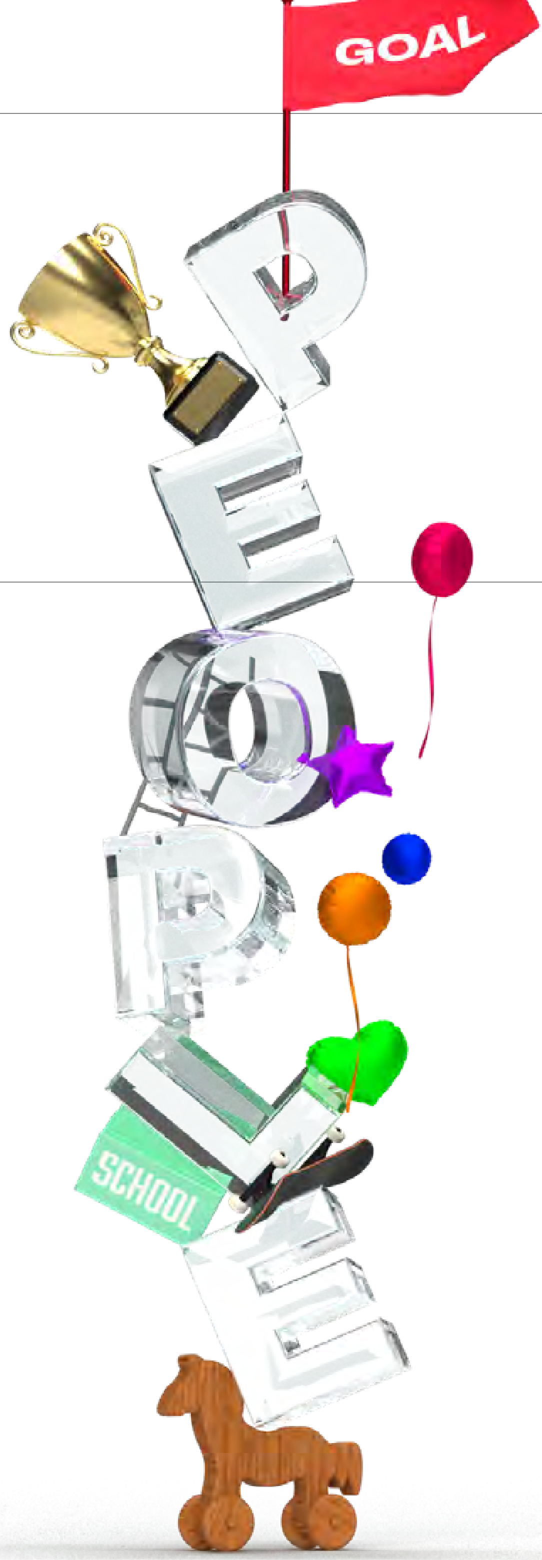
The energy transition process will never be the same again. The acutely high price of energy is speeding up investments that had no payback a few months ago, and encouraging industry leaders to revisit their business drivers.

Unprecedented selling price adjustments in the glass industry will bring some oxygen to companies, such as BA, which continues to believe in the merits of glass packaging food and beverages.

Our customers are also reviewing their options and revisiting their value propositions. In BA, we continue to support their product innovations and launches. We had a record year in product development, launching 125 new products onto the market. The lightweight program was reinforced, and of those new products, 23 were light weighted.

Despite and because of the energy challenge, we continued to develop our carbon reduction roadmap. We committed to science-based targets and set, as our target for 2035, a 50% reduction of CO_2 emissions per ton of glass produced, in line with the goal of limiting the global warming to well below 2ºC. The year's performance shows a 15.9% reduction in carbon emissions per ton of glass produced (scope 1 and 2) when compared with 2020.

For the second time in a row, we were recognised by the World Finance Sustainability Awards as the Most Sustainable Company in the Glass Industry worldwide. And for the first time, BA Glass achieved an A- score (C in 2020) from the CDP organisation, which recognised our progress in building a strategy and an organisation towards carbon neutrality.



In a year of strong emotions, once again we counted on our people, on their commitment and pragmatic sense.

In a year of strong emotions, once again we counted on our people, on their commitment and pragmatic sense. Once again, they demonstrated their resilient attitude to embrace the year's challenges. What cannot be controlled (such as energy prices) must be managed. The focus remained on operations and energy efficiency and brought positive outcomes at year-end.

We will continue to do what we know how to do it, adapting and creating options in a new business environment. Investments will be made, particularly in those areas that will change the way glass packaging is produced and sold.

Our digital roadmap has gained speed. Many structural projects are being developed simultaneously. A new team was created in an ecosystem of different skills, where data intelligence blends with manufacturing process knowledge, and partnerships are born and developed. We are excited about what we will accomplish, a new workplace where machines will co-exist with humans.

2021 was a year of many achievements. But, we suffered an unimaginable loss in profitability throughout the year, which is affordable only if it is transitory.

It is time to rebalance what became profoundly unbalanced!

2021

Annual Report

Sustainability

Report

Get To Know Us

Glass Packaging production company for food and beverages with a history of over **100 years**.

12 PLANTS

7 COUNTRIES

SALES IN +70 COUNTRIES

+2,400 K TONS YEAR

+ 100 YEARS OF HISTORY

3,990 PEOPLE [FTE]

1,016.3 M€ SALES

OF SALES

EBIT 15.7%

EBITDA 24.5%

What We Do

Sales by **Segment**

More than **10 Billion** Bottles and Jars per year

Glass...

... is the only **infinitely recyclable** material.

... is the **healthiest** material able to preserve food and beverages without changing their original properties.

... protect the consumers, there is **no risk of harmful chemicals** getting into the food or drinks that are packed in glass.

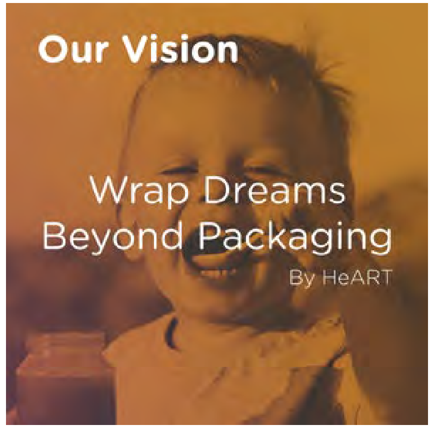
Who We Are

BA is guided by a set of beliefs and commitments which define our Mission, Vision, who we are, how we act, and what can be expected of us.

Wrap	To elevate and magnify (as a gift)...
dreams	the never-ending goals not yet achieved...
beyond	aiming to do more than just...
packaging	what we produce.
by HeART	

Our Mission is to produce glass containers supported by our Vision, '**Wrap dreams beyond packaging**', because we genuinely believe that we can aim more and go beyond in delivering more than just glass containers.

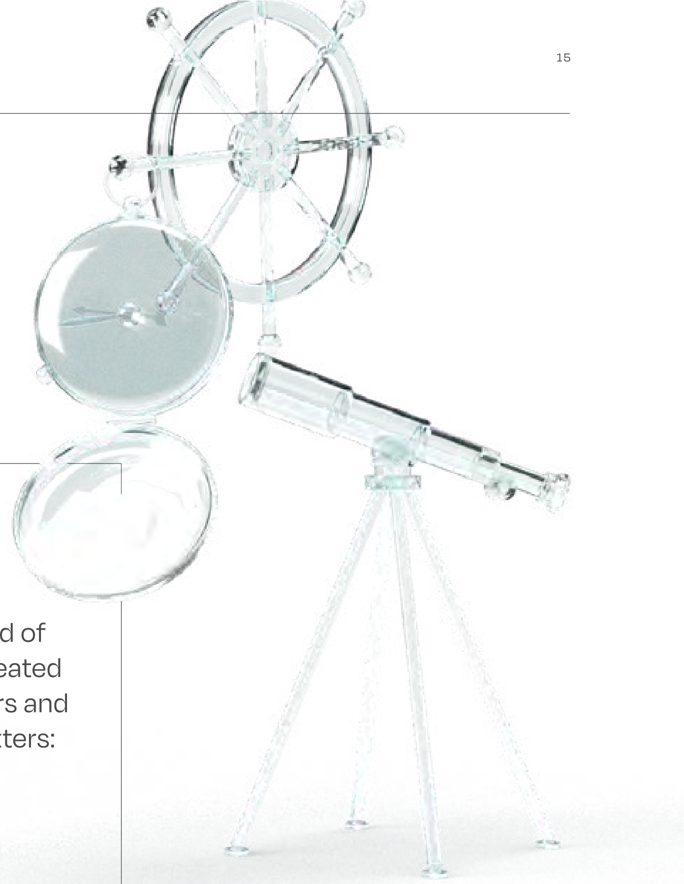
The **BA way**, strengthened by our values – the HeART BEAT – leads us to Excellence, which is our foundation always to do better, because, at BA, nothing is impossible.



our vision	Wrap dreams beyond packaging, by HeART			
our way	beat			
our pillars	Customers	Shareholders	People	Consumers
our foundation	EXCELLENCE			

Who We Are

The company structure is comprised of the Board of Directors, the Executive Board, Executives and two Board Committees:



Group Board of Directors

Paulo Azevedo (Chairman)	Jorge Alexandre Ferreira
Sandra Maria Santos (CEO)	José Ignacio Comenge
António Lobo Xavier	Pedro Moreira da Silva
Carlo Privitera	Rita Silva Domingues
Francisco Silva Domingues	Rui Correia
Jacqueline Hoogerbrugge	

Executive Board

Sandra Maria Santos (Chairman)	Luis Mendes
Abelardo Lopez	Reinaldo Coelho
Filip Drofiak (MD Central Europe)	Sofia Moreira Alves
Iva Rodrigues Dias (MD Iberia)	Tiago Moreira da Silva
Javier Teniente (MD Southeast Europe)	

Executives

Alberto Araújo Soares	Marcin Kochanski
Ana Cristina Gonçalves	Marco Marques
António Magalhães	Paula Marinho
António Sá Couto	Paulo Sá
Bruno Lopes	Pedro Belo
Carlos Vega	Rafael Corzo
Dimitrios Dentsas	Rosário Sousa
Dimitrios Papadopoulos	Rui Guimarães
Georgios Arkoudis	Rui Matos
Isabel Monteiro	Sylwia Mistrzak
Jakub Kaczmarek	Tomasz Karpiewski
Joana Osório	Vanda Ferreira
Luís Cardoso	Venancio Roales

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee (BNRC) is composed of 4 Board Members. Its function is to support the Board of Directors and report to it on matters related to talent development and remunerations.

Among other things, the BNRC must ensure that BA has a remuneration and talent development policy in place that supports the development of the Company's strategic goals and its long-term sustainability, as well as a succession plan for each Executive Board member and each Executive. It's also BNRC's responsibility to discuss in-depth whistleblowing incidents. The BNRC approves or proposes Executive's nomination, remuneration KPI's and development plans to the Board of Directors, regarding Executive Board members and Executives.

Board Audit and Finance Committee

The Board Audit and Finance Committee (BAFC) is comprised of 5 Board Members and it was created to support the Board of Directors and report to it on the following matters:

(i) compliance with internal and external rules of governance;

(ii) monitor the level of performance of BA's annual and pluriannual strategic plan and budget;

(iii) ensure the integrity and accuracy of financial statements and reports;

(iv) flag and monitor the risks incurred by the company and the company risk management practices.

The BAFC meets at least 5 times a year.

How We Do It

Glass Packaging Production

1 Cullet Treatment

BA has been investing in cullet treatment to increase the amount of recyclable glass in the production process.

2 Glass Composition

At this stage, all raw materials are stored, weighed and mixed to create the ideal mass composition that will be placed in the furnaces, where it will undergo melt to be vitrified.

This process uses, on average, 37% recyclable glass, which our cullet treatment plants have handled, thus guaranteeing a more sustainable production.

3 Raw Materials Melting

At the refractory furnaces, the material is melted at temperatures between 1500 and 1600°C.

The resulting liquefied glass flows along the large tank moved by the force of gravity and goes through the "conditioning" stage. At this stage, thermal homogeneity of the entire melted mass has to be assured, as this is of crucial importance in obtaining a quality product.

4 Glass Moulding

There are two stages in the process of glass moulding. In the first stage, the melted glass is poured into the first mould located on one side of the machine, where it acquires its first shape (parison). In the second stage, the pre-form is transferred into a final mould located on the opposite side of the machine, where it acquires the product final shape.

5 Annealing and Surface Treatment

During the moulding process, the glass is in contact with the moulds' walls which are at relatively low temperatures. As such, the outer side of the containers is much colder than their inner side. This temperature gradient is explained by the poor conductivity of glass. To overcome this, a thermal treatment called annealing has to be performed. Annealing is the thermal homogenisation of the entire glass mass, thus eliminating all tension present.

6 Inspection and Quality Control

Once the annealing process is concluded, the containers are taken to the automatic inspection machines. These eliminate the faulty containers through several defect-detecting mechanisms.

7 Packaging

At the end of the production line, the containers are packed in layers and stacked into pallets. These are then covered with plastic film to protect the units and facilitate transport. The next stage is the shrinking of these packages by a heating machine. The pallets are then ready to be conveyed to the storage area.

8 Consumers

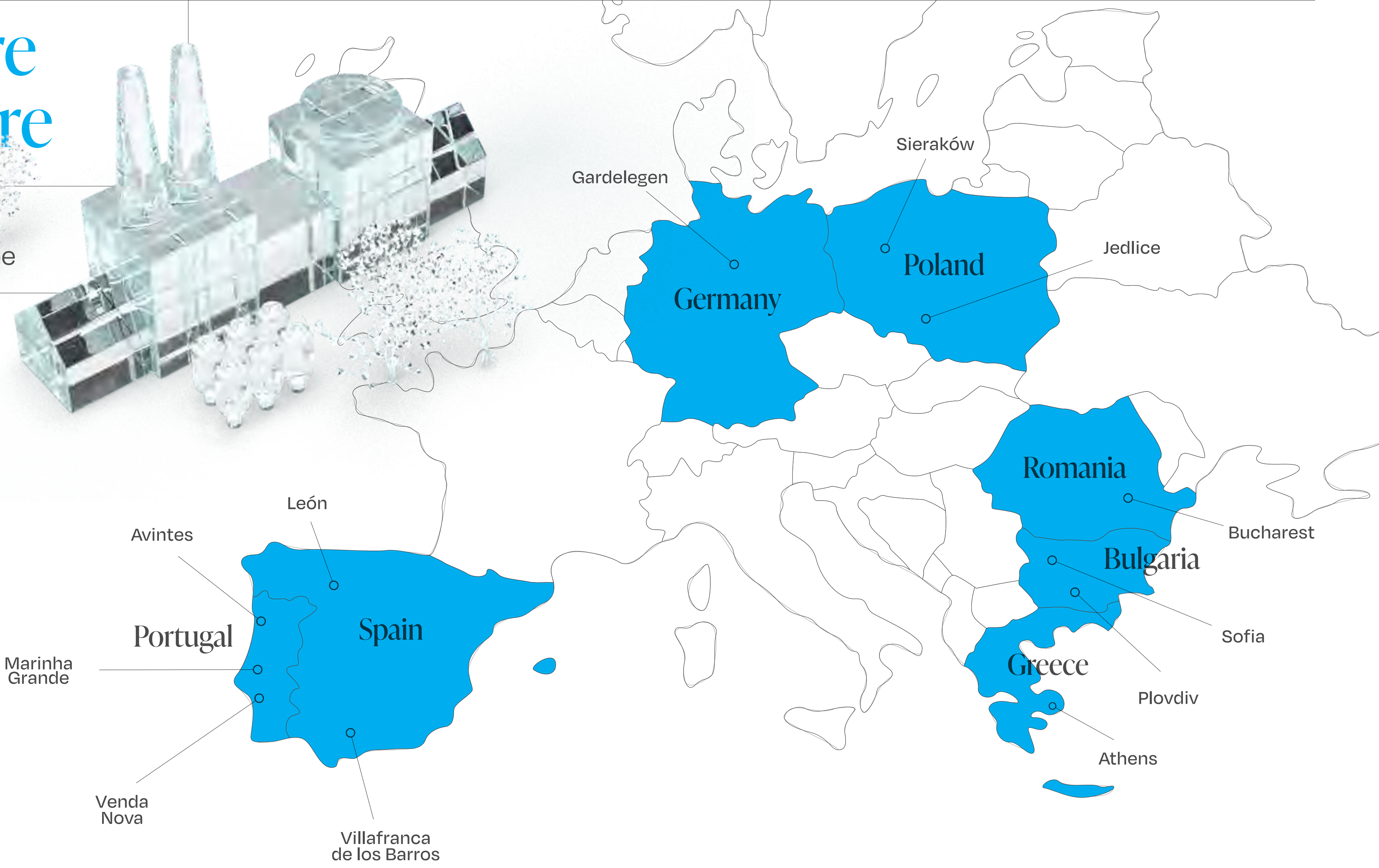
BA works close to its customers to provide safe and unique experiences to the consumers, full of emotion.

9 Recycling

The more we recycle, the more sustainable we become. Recycling brings savings in CO_2 emissions, energy consumption, waste and raw materials.

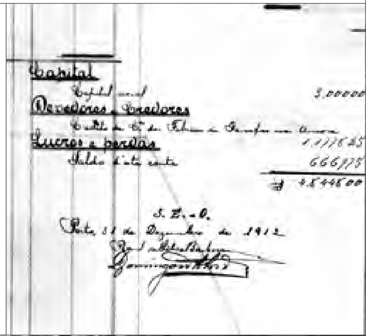
Where We Are

12 plants across Europe



Our History

1912
Incorporation of **Barbosa & Almeida**



1947
Introduction of Automatic Technology

1969
Start of Operation at the **Avintes** Industrial Unit

1993
Acquisition of **CIVE**

1998
Start of Operation at **Villafranca de los Barros** Industrial Unit

1999
Acquisition of **Vidriera Leonesa**

2008
Acquisition of **Sotancro**

2012
Acquisition of **Warta**

2016
Acquisition of **HNG Global**

Acquisition of 25% **Anchor Glass**

2017
Acquisition of **Yioula**

BA's sustainability strategy combines six main pillars, which coexist to safeguard the environment, and guarantee economic and social development.

The coexistence of our pillars aims to consolidate our pathway so that we can achieve our Vision successfully, which requires daily efforts to keep them all balanced.

It is People who makes the difference and who is the basis that sustains and makes everything possible and achievable. Our commitment is to provide for the development and wellbeing of our people.

Sustainability goes beyond and takes into consideration aspects of life that support human needs.

Customers & Consumers

Be partners of our Customers and cooperate on the creation and innovation of their products, seeking to provide unique experiences to Consumers through glass as the most trustworthy packaging.

Shareholders

that have the ongoing viability as their main responsibility, supporting the continous investment and modernisation of our operations, which will lead the company to growth with sustainability.

People

Those who make the difference and who are the basis that sustains and makes everything possible and achievable. Our commitment is to contribute for the development and wellbeing of our people.

Environmental Responsibility

BA seeks to develop in a sustainable way. It is a challenge to manage and to respond to current needs without compromising the future.

Social Accountability

BA believes that efficiency and economic growth cannot be dissociated from an irreprehensible ethical conduct.

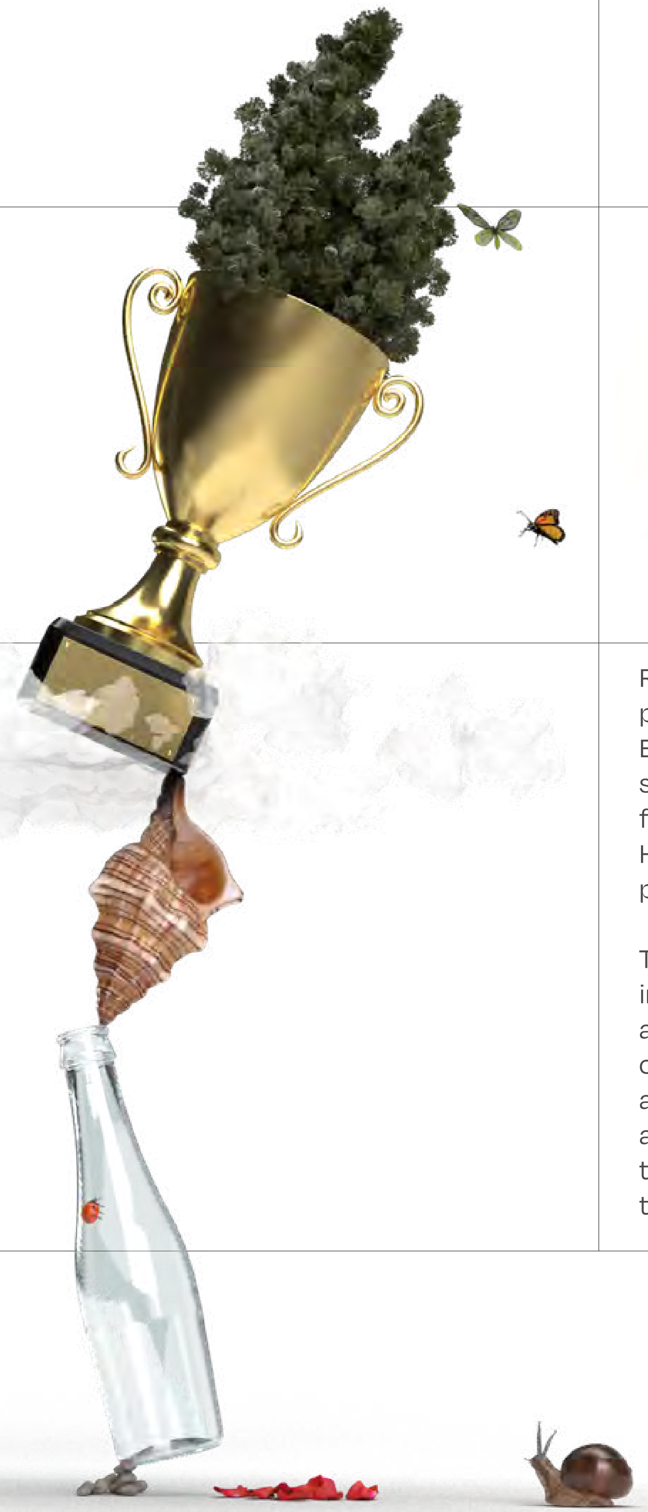
BA strives for Sustainability

6 The 6 Pillars

It is a pleasure to be recognised as an exemplary organisation that continually strives to be greener! For the second year in a row, BA was recognised as "The Most Sustainable Company in the Glass Industry" by the World Finance Sustainability Awards 2021. We are very proud to be acknowledged, once again, for our work towards a sustainable future, applying important reduction and mitigation measures, analysing their impact, and seeking continuous improvement.

WORLD FINANCE
SUSTAINABILITY AWARDS
2021

Awards



GOLD
2021
ecovadis
Sustainability Rating

Regarding the year 2021, BA was presented with the Gold rating from Ecovadis – the leading business sustainability rating index, with special focus on Environment, Labour and Human Rights, Ethics and Sustainable procurement.

This award reflects the focus on initiatives aimed at generating trust among our stakeholders, people, customers, consumers, shareholders, and communities, who can rely on BA as a sustainable partner, also proving that BA continues on the right path towards a sustainable future.

We know that we are part of the problem and the solution. BA's improvements to reduce environmental impact is the evidence of our commitment to sustainability. BA Glass achieved an A- score (it was C in 2020) from the CDP, Carbon Disclosure Project, an organisation that recognised our progress in building a strategy and an organisation towards carbon neutrality. CDP is a non-profit organisation which assesses the environmental impact of our activities in an independent and rigorous manner, namely regarding climate change.

CDP
DRIVING SUSTAINABLE ECONOMIES

Rating	A-

Environmental Sustainability

KPI	2021	2020
Electricity from renewable sources (% total electricity)	86,1%	54,6%
Natural gas share in our energy consumption (%)	79,6%	79,9%
Water consumption (m³)/ Ton Produced	0,322	0,415
Cullet usage rate (% by melted tons)	37,4%	36,9%
CO_2 emission (tons)/ Ton Produced	0,394	0,405
Plastic (Kg) consumed /Ton Produced	2,87	2,96
Cardboard (units) used / Ton Produced	6,36	6,66

Preserving and respecting the environment as well as reducing pollution, are concerns which BA incorporates in its business strategy. In 2016, we set out a new Vision for the company – "Wrap dreams beyond packaging" – and we defined growth targets which aim to reduce our impact on the environment alongside our growth.

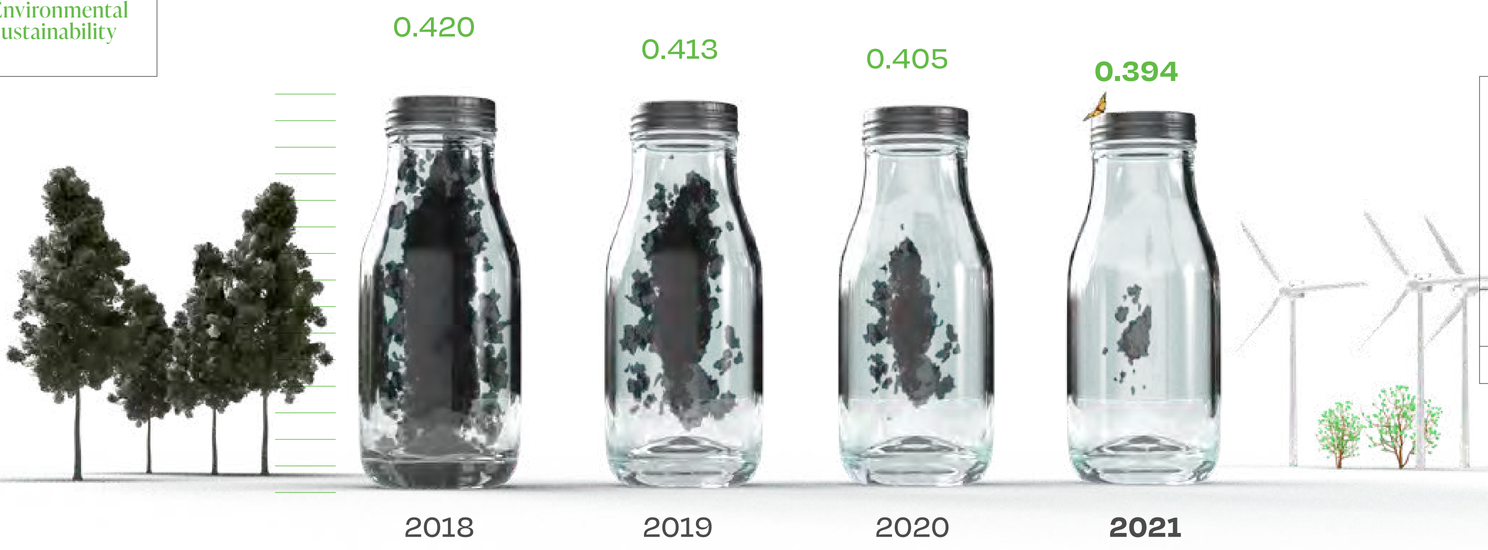
In 2018, we made public our commitment to protecting the environment and reducing our use of natural resources. At "The Porto Protocol" we committed ourselves to, by 2030:

— Use a minimum of 70% of electricity from renewable sources;
— Reduce natural gas use by 10%, replacing it with electricity;
— Reduce water use by 75% to at most 0.1 m³/ton;
— Increase the usage of cullet by at least the same percentage as the collection systems are able to achieve;
— Reduce CO_2 emissions to at least the EU's target levels;
— Work together with our customers and suppliers to reduce the amount of packaging in our final products;
— Publish the annual values of these variables on the "The Porto Protocol" and BA Glass' websites.

At the beginning of 2021, we joined the Science-Based Targets initiative (SBTi), an organisation that drives companies to establish ambitious science-based emissions reduction targets.

Our commitment to sustainability and a much greener future was reinforced, during 2021, with our new brand: "Pure - immersed in nature", where innovation is dedicated to sustainability, and what we produce comes from nature and ends in nature, in a closed glass loop.

Carbon neutrality by 2050



-6,3%

in 3 years

TCO_2/Ton Produced

Scope 1

In the last 20 years, the reduction in CO_2 emissions has been quite remarkable. Firstly, due to the introduction of natural gas into the furnaces, and later due to the development of innovative furnace technology, increase of cullet usage, among others. But BA wants more, this way, BA has set ambitious CO_2 reduction goals, with the aim of achieving the targets defined by the Paris Agreement and become carbon neutral. The Paris Agreement (December 2015) sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C.

BA measures its carbon footprint in all three scopes (scope 1, 2, and 3). In regards to our direct emissions (scope 1), which constitute a significant burden to a simple benchmark against other packaging materials, BA has shown a constant decrease. In 2021, BA was able to reduce direct CO_2 emissions per ton of glass produced by 2.8%, from 0.405 to 0.394 tons of CO_2. As for Scope 1 and 2, during 2021, there was a 11.7% reduction in absolute terms, and a 15.9% drop per ton of glass produced, when compared with 2020.

To succeed in the carbon neutral mission to which BA committed to, we have engaged in several projects and actions regarding glass sustainability and carbon footprint reduction.

In the last two years (2020 and 2021), our shareholders decided to apply part of their dividends, in the amount of 14.8 million euros, to the development of technologies that will allow us to reduce the CO_2 we generate and mitigate its impact in the environment, through the support of R&D projects.

One of these projects is the CO_2 capturing and sequestration project, which we are developing in partnership with research and development institutions. The concept was designed, and its technical and economic feasibility is being studied.

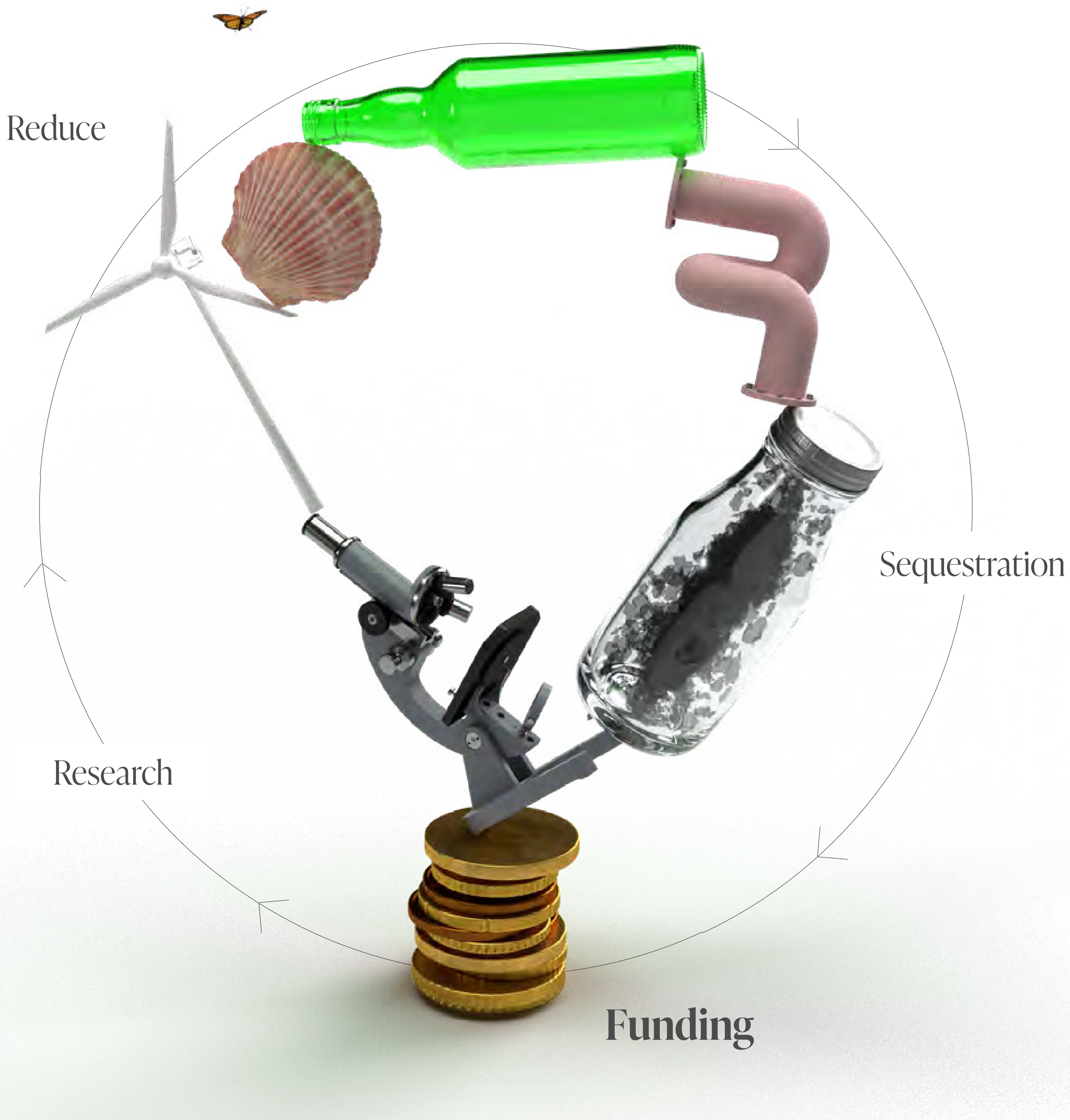
Our Commitments

We commit to be carbon neutral by 2050

- To replace the consumption of fossil fuel energy by renewable energy;
- To increase the volume of recycled glass by at least 70%;
- To produce renewable energy for self-consumption.

To accelerate the glass packaging industry transition to carbon neutrality

- We commit to invest additional 270m€ in the coming 10 years;
- To research, develop, and use new green technology;
- To develop and install carbon capture technology.



The ambition of becoming carbon neutral requires that several technological disruptions take place in our whole industry. BA is currently developing a Hybrid Furnace, a breakthrough technology that will allow us to switch from natural gas to renewable electricity and drastically reduce CO_2 emissions.

In 2021, we committed with the science-based targets initiative and set, as our target for 2035, a 50% reduction in the amount of CO_2 emissions per ton of glass we produce, in line with the Paris agreement target.

During 2021, we also strengthened our carbon reduction roadmap, considering the three CO_2 emissions scope, foreseeing carbon neutrality by 2050. The success of this roadmap depends on the development path of the furnaces technology and the growth of green energy availability. The availability of recyclable glass also has a critical impact.

To be aware of the consequences of our activities and to persevere in mitigating them will always be our priority towards a more sustainable planet. BA has been an active participant in the Carbon Disclosure Project (CDP) platform since 2012, disclosing actions and outputs. In 2021 BA scored A- (Leadership) in the Climate Change by CDP.

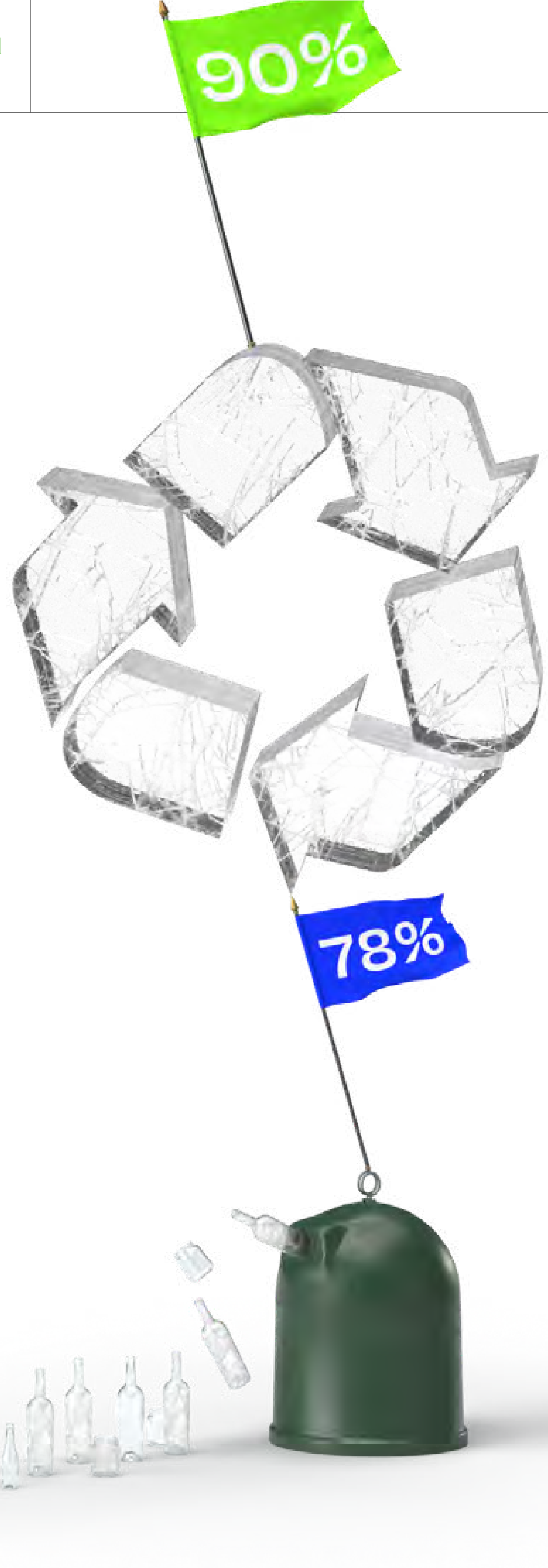
But there are many other initiatives that will help reduce the industry's carbon footprint.

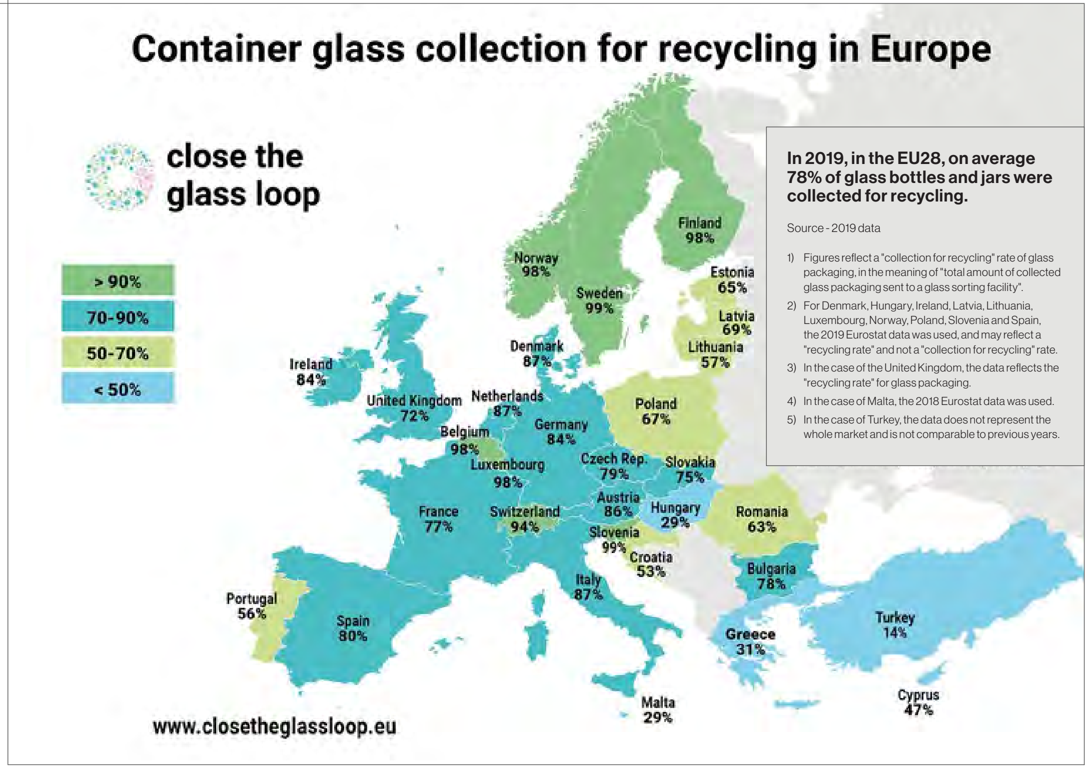
Increase the volume of recycled glass by at least 70%

For many years, the glass industry has been trying to replace the use of soda ash with recycled glass. Soda ash, a raw material that generates CO_2 when melted, is the second-largest source of CO_2 emissions. Apart from quality and availability, there are no significant limitations to the use of recycled glass. We have witnessed a growth in the amount of recycled content used in the glass packaging industry to levels above 60%, in some colours of glass, one of the highest amongst all packaging materials. However, in some European countries, there is still room for improvement as regards glass collection and recycling rates. The implementation of effective systems is fundamental to achieve a truly circular economy. Glass is a permanent material, as it preserves its original characteristics when recycled for infinitive times in a close loop, not causing any harm to the consumers' health. This means that it is possible to collect and sort it under specific conditions to be incorporated in a product with a similar value. Each glass bottle can be transformed into another bottle with the same value. For each ton of recycled glass, 0.23 tons of CO_2 emissions are avoided.

To accomplish 100% circular packaging, it is essential that we have an EPR (Extended Producer Responsibility) system implemented in each country, whereby products are designed to be easily collected and recycled. The food, beverage and packaging producers are responsible for the costs of collecting the packages. These collection systems need to be efficient and motivate consumers and producers to recover and recycle. This means that the collection systems need to cover all points of consumption such as homes, restaurants, coffee shops, hotels, among others. Furthermore, the recycling technology needs to be effective in recovering packaging materials directly from the municipalities' waste, thus avoiding their accumulation in landfills.

Acknowledging their role, national and European glass associations are continuously developing projects and implementing actions to increase glass collection rates. FEVE members are committed to reaching a 90% collection rate by 2030, above the current 78%, promoting a joint force with municipalities and recyclers in the 'Close the Glass Loop' which is a collaborative, public-private partnership that promotes glass recycling. It brings together all stakeholders along the glass packaging value chain, from the producer to the brand owner and the filler, from the consumer and glass treater, to the Extended Producer Responsibility and Waste Management Schemes, as well as collectors and municipalities. Working together, these participants will exchange knowledge and best practices in the collection, sorting and treatment systems and devise better strategies to increase the quantity and quality of available recyclable glass. The "Close the Glass Loop" initiative relies on a decentralised structure, a national governance structure recycling plan, to design and drive the implementation of National action plans alongside a European platform that coordinates the project.





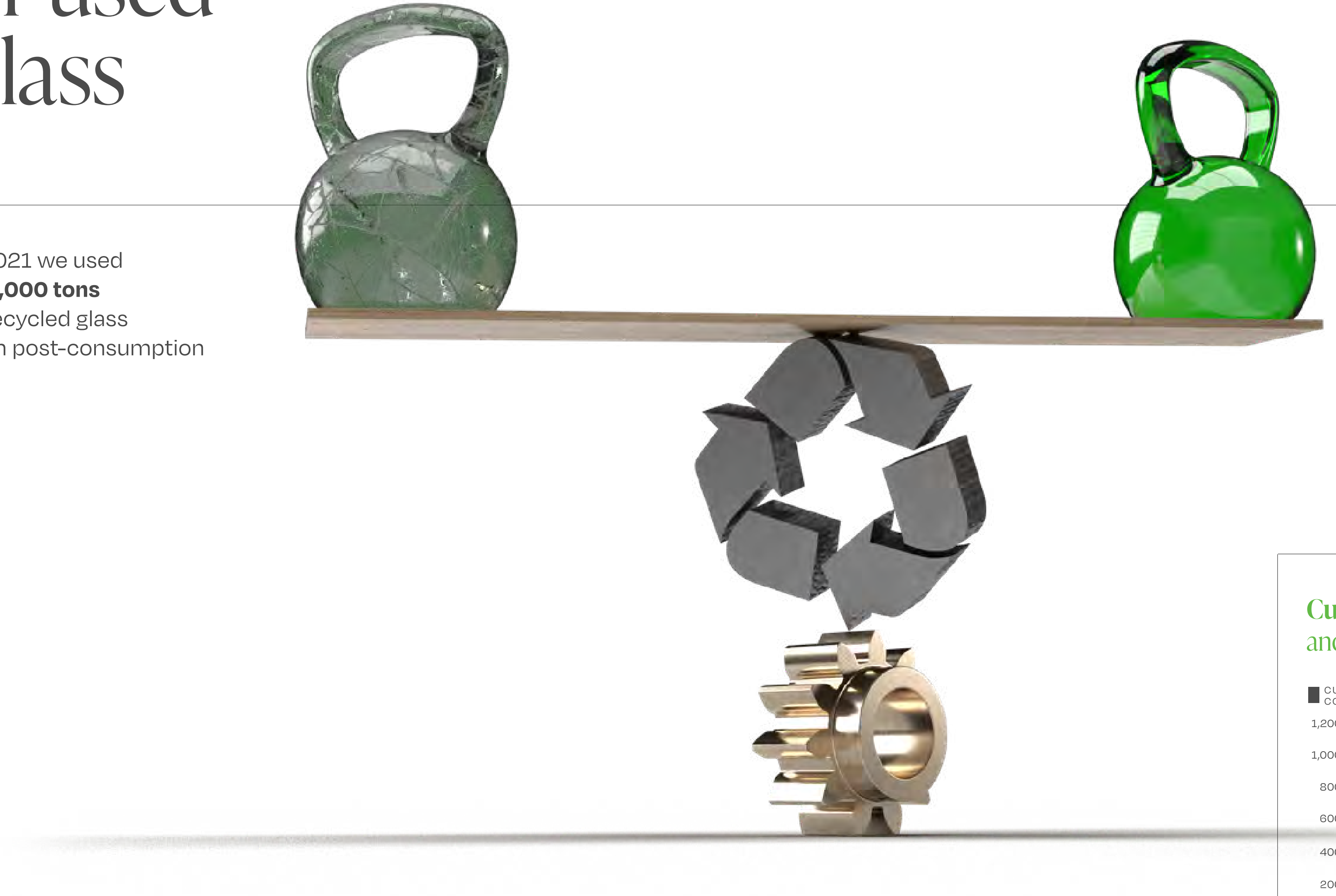
The Packaging and Packaging Waste Directive is under review by the European Parliament. All materials will have to achieve higher recycling rates, and glass is well-positioned to do so, given the industry's 90% target.

BA uses recycled glass (cullet) generated in its own production process, as well as in the Horeca channel, and in domestic post-consumption waste. In 2021, BA used 660,000 tons of post-consumer recycled glass in the production of jars and bottles, 6.5% more than in 2020.

Some countries, such as Portugal and Bulgaria, import cullet since the glass packaging production is higher than its consumption. To ensure that the recycled glass used as raw material is of high quality, BA has made significant investments in the best available technologies for its two cullet treatment facilities. Here, used glass is cleaned and transformed into an extremely high-quality raw material. Each year, over 400,000 tons of waste are saved from being deposited in landfills and, instead, are cleaned and treated in our recycling facilities. The possibility of separating colourless glass from coloured glass allows the use of recycled glass in the production of colourless bottles and jars.

1 Kg of used glass

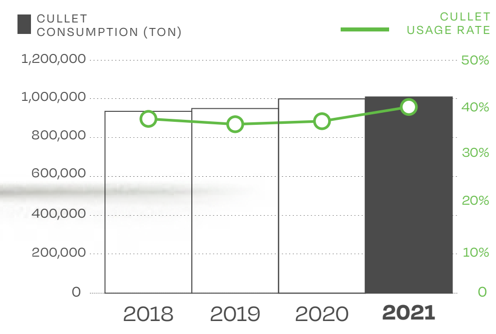
In 2021 we used
660,000 tons
of recycled glass
from post-consumption



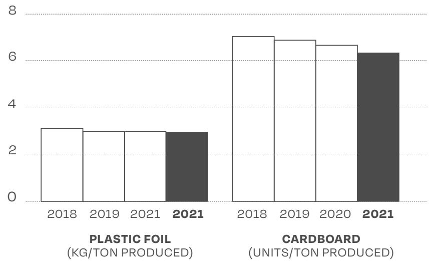
1 Kg of new glass

In 2021 we produced
660,000 tons
of new bottles and jars,
from recycled glass

Cullet Consumption and Cullet Usage Rate



Consumable packaging usage



Work together with our customers and suppliers to **reduce the amount of packaging** in our final products

Reducing the weight of our bottles and jars is one of our environmental goals, since designing lighter products has a clear impact on their carbon footprint. Last year, we saved 9,000 tons of CO_2 emissions, thanks to our lightweight products (Scope 1 and 2). This figure is even higher if we consider all the savings across the supply chain process.

In 2021, lightweight productions represented 18.4% of the total new products launched in the market, a new record. Comparing to 2020, BA increased, by approximately 25%, the tons saved with lightweight projects, with the Food segment contributing with more than 50% for this reduction.

Bottles and jars are delivered to our customers in pallets. For this packaging, we use cardboard trays between bottles or jars layers and plastic foil around the pallet. Both these materials are single-use and generate waste. BA's environmental commitment is to explore and develop new solutions, together with our customers and suppliers, that will reduce their use, eliminating part of it or reducing the weight of the material (for example, using a thinner plastic foil).

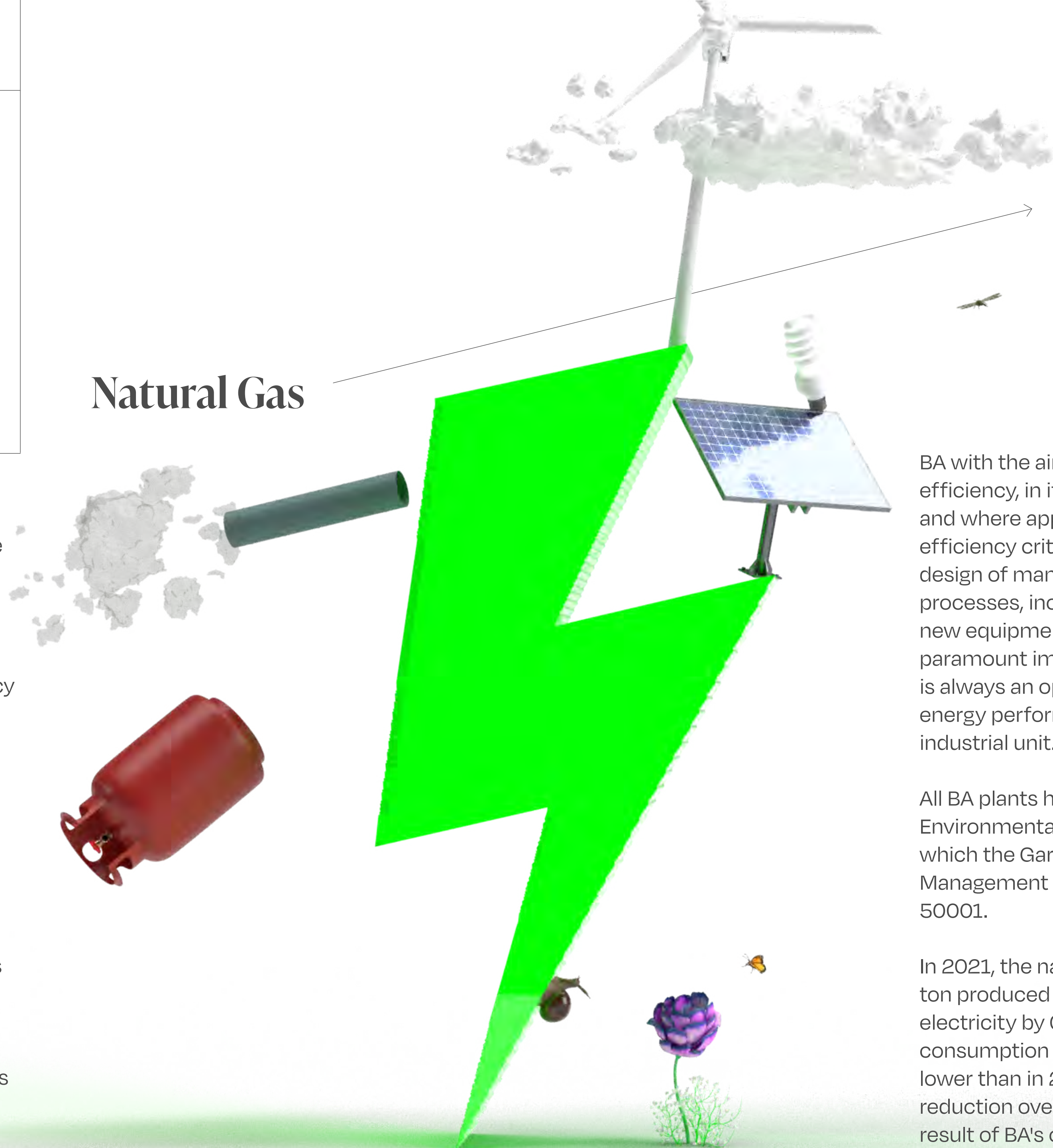
The close relationships established with our customers and our deep understanding of their needs, namely regarding the storage conditions and packaging requirements that suit their filling lines, in some cases, have allowed us to optimise our packaging solutions. On the other hand, the investments made in recent years in warehouse expansions, particularly in new geographies, have improved our storage conditions allowing for a reduction in the amount of plastic foil used to protect products.

The close cooperation with our suppliers has been very important in finding the best materials for the required packaging solutions. And the replacement of cardboard layers with returnable and reusable layers is an option that reduces waste generation.

Although secondary packaging may be considered as waste, all the materials used can be recycled by other industries.

The reuse of wood pallets is managed by BA. In 2021, over 3 million pallets (a 3% increase when compared to 2020) were returned by our customers, and the average reuse rate stood at 93.7%. Those that are not recovered by BA are reused by our customers or taken to our customers' suppliers to be reused by them. During 2021, the consumption of plastic foil and cardboard layers per ton of glass produced continued its downward trend, each dropping 2.9% and 4.5%, respectively.

Reduce the natural gas use by replacing it with electricity, and use a minimum of 70% of electricity from renewable sources.



Glass manufacturing is an energy-intensive process that consumes mainly natural gas as a source of energy. Seeing that natural gas is a source of CO_2 emissions, BA is committed to a clear strategy of continuously improving its energy efficiency and decreasing its carbon footprint.

BA is reducing natural gas use by replacing it with electricity. In 2021, the natural gas share reached 79.6%, representing a 0.4% decrease in the last year. The development of a hybrid furnace capable of increasing electricity use up to 70% of total energy consumption, is a project in which BA is working closely with partners and suppliers and will be the next step in the disruptive energy consumption.

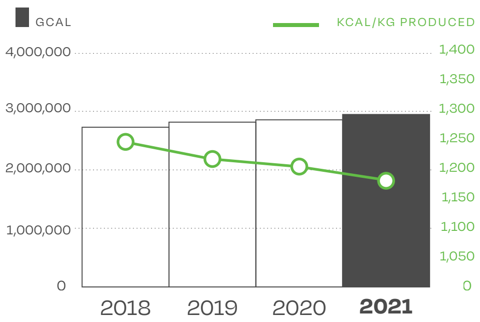
We invest in the best available technologies and in improving our processes continuously, making our operations more environmentally sustainable.

BA with the aim of increasing energy efficiency, in its purchasing processes and where applicable, includes energy efficiency criteria. Likewise, in the design of manufacturing activities and processes, including the acquisition of new equipment, energy efficiency is of paramount importance. Thus, any change is always an opportunity to increase the energy performance of each section or industrial unit.

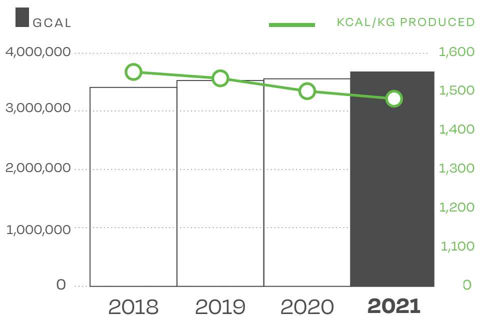
All BA plants have also implemented an Environmental Management System, of which the Gardelegen plant's Integrated Management System is certified under ISO 50001.

In 2021, the natural gas consumption per ton produced decreased by 2.1% and the electricity by 0.03%. Overall, the energy consumption per ton produced was 1.6% lower than in 2020, representing a 6.1% reduction over the last 4 years. This is the result of BA's continuous investment in the adoption of the most energy-efficient equipment.

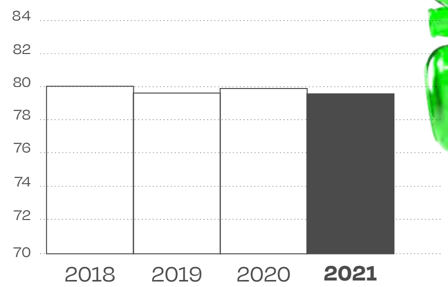
Natural Gas Consumption



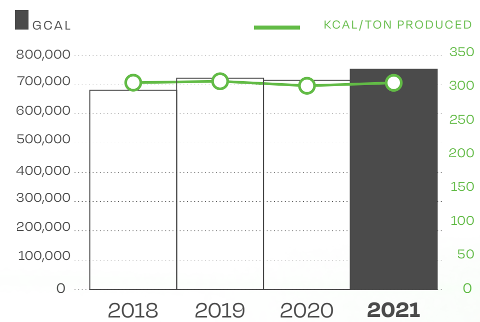
Total energy consumption



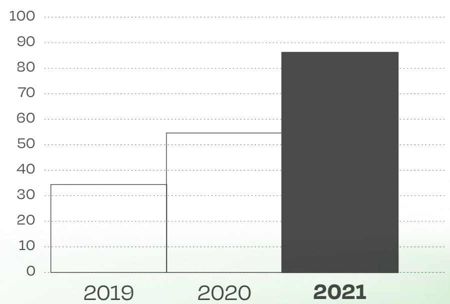
Natural gas share on total energy (%)



Electricity Consumption



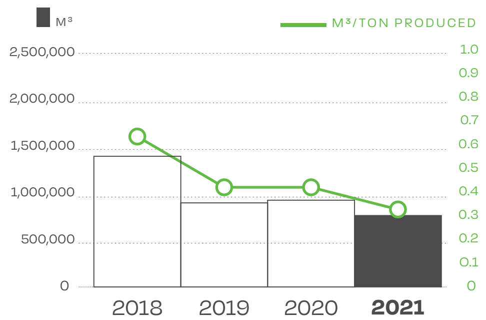
BA Electricity Renewable Share (%)



BA committed at "The Porto Protocol" to use a minimum of 70% of electricity from renewable sources. This target was overperformed during 2021, were nine of the twelve BA plants were 100% supplied with green energy.

In 2021, a third photovoltaic park was built on the roof of the Plovdiv plant. This is the Group's third solar facility after Villafranca de los Barros and Avintes, and we have one more facility being built which will be ready to start producing electricity in 2022.

Water Consumption



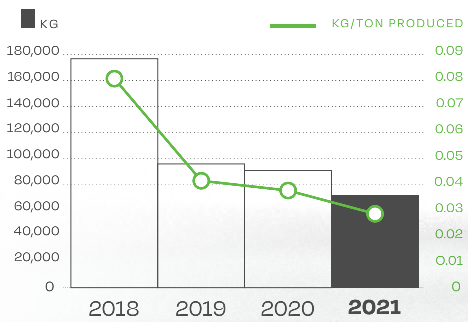
Reduce water use by 75% to at most 0.1 m³/ton.

Water is a finite and irreplaceable natural resource that is fundamental to human well-being. It is our responsibility to use it properly and develop systems and processes that allow its reuse.

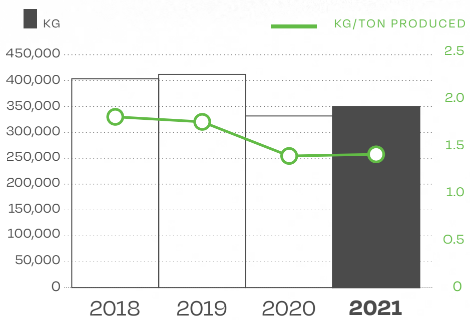
Our production process requires water to cool down and clean some systems and equipment. Many technologies have been developed to optimise water efficiency and allow its reuse. We aim to use no more than 0.1m³ per ton produced and in the Gardelegen plant, water use is already below that target. In 2021, the overall water consumption reaching 0.322 m³ per ton, a reduction of 22.3%.

Other air emissions - particles, sulphur dioxide (SO_2), and nitrogen oxides (NOx)

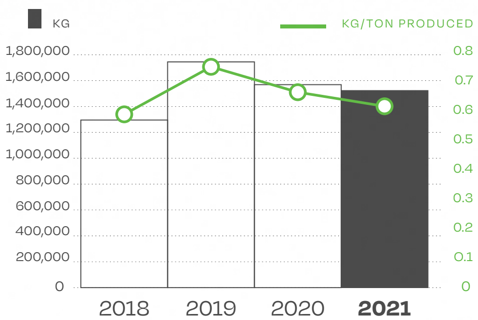
Particulates Emission



NOx Emission



SO_2 Emission



CO_2 is not the only air emission produced by our activity. Since 2000, BA has been implementing the Best Available Techniques to reduce the impact of gaseous emissions (Particles, NOx and SO_2).

All BA plants have installed low-NOx content burners in the furnaces and secondary measures to reduce particles (electrostatic precipitator or candles filter).

Gardelegen, Sofia, Plovdiv, and Bucharest plants have a catalyst system to reduce NOx emissions. The plants of Villafranca de los Barros, León, Sofia, Plovdiv, Gardelegen and, Bucharest have installed a lime system to reduce SOx emissions.

BA carries out occasional monitoring of the existing fixed sources in accordance with the environmental permit of each plant. In four of our plants (Athens, Marinha Grande, Venda Nova, and Villafranca de Los Barros), NOx levels are monitored continuously. In Villafranca de los Barros and Athens, particles and SO_2 levels are also monitored continuously.

BA plants are covered by the industrial emissions Directive.

All plants have complied with a gaseous emissions monitoring plan in accordance with the respective environmental permit.

In the middle of 2021, BA installed a new filter system to reduce Particles, NOx and SO_2 in Marinha Grande plant.

Certified

ISO 14001

ISO 50001

BA acknowledges that environment is an important part of its integrated management system. All plants have an environment system implemented, under ISO 14001. All the plants but Gardelegen and Athens have the system certified. These 2 plants plan to get the certification in 2022. Gardelegen plant also has an energy management system certified under ISO 50001.

The Environmental Management System implemented by BA is based on the following principles:

- Environmental protection and mitigation of environmental impacts;
- Promotion of the use of clean technologies and appropriate waste management practices;
- Compliance with legal requirements;
- Rational use of natural resources;
- Rationalisation of water, energy, and raw material consumption;
- Glass recycling;
- Weight-reduction of the glass containers produced;
- Reduction of air emissions;
- Carbon footprint reduction.

All BA plants are covered by the new Industrial Emission Directive (IED) and hold environmental permits.

BA will pursue its commitment to the planet's sustainability, preserving natural resources and mitigating its activities' impact on climate change. The continuous improvement of BA's environmental performance is embraced by the Group as a whole.

We are committed to identify and standardise the best practices, whilst monitoring and comparing the individual performance of each plant.

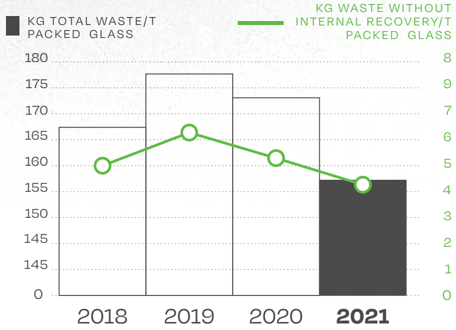
We believe that the relationship with local and European authorities responsible for the definition and implementation of legal requirements applicable to our activity must be supported and reinforced with transparency, collaboration, rigour, trust, and responsibility. This allows us to comply with legal obligations and maintain an open relationship with all interested parties.

Other Environmental Indicators

BA has implemented a waste management system in all its facilities, to reduce the internal waste generation and increase its recovery, due to correct segregation by waste type. Our waste recovery rate is around 98% due to internal cullet reintroduced in the production process, filter dust and waste treatment station sludge.

The specific rate of total waste generated during 2021 was 157 kg of waste per ton produced (9.1% lower than 2020) and for specific waste generated without internal recovery was 4.3 kg of waste per ton produced (21.3% lower than 2020).

Waste Generate



Choosing the projects that we want to embrace

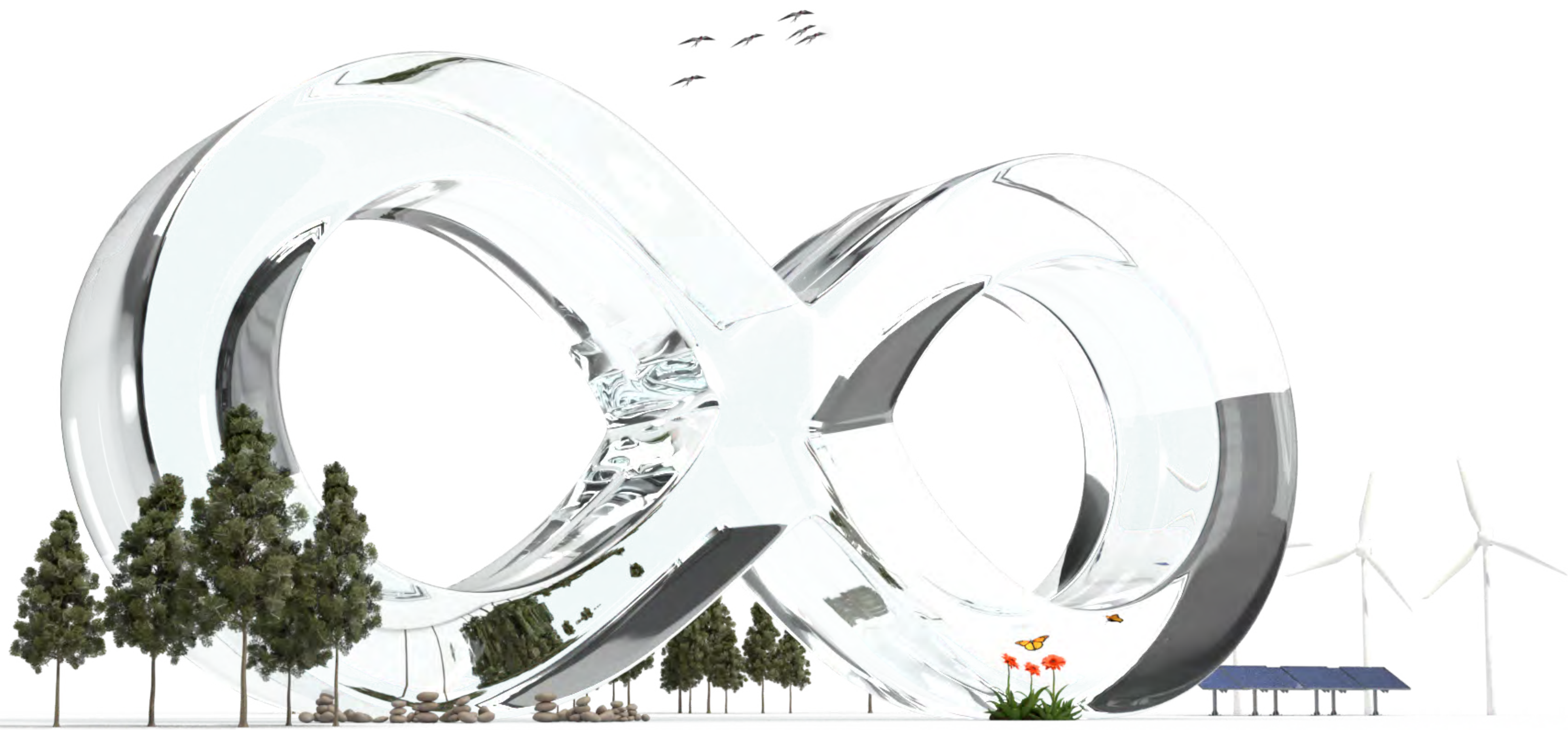
Continuous improvement is intrinsic to our activity, but technology disruptions require R&D and partnerships. We cannot aim for carbon neutrality without having access to entirely new technologies. And we cannot do it alone.

All disruptive projects represent significant investments and additional operational costs. The hybrid (electrical) furnace is a promising project, but it is not the only one we are working on. In our industry, CO_2 capturing and sequestration is still a dream for some. We decided to embrace this challenge, supported by the fund created by our shareholders. And our partners are made up of teams that look to the future with enthusiasm, just like us. To reinforce the importance of these projects, we also became members of the Hydrogen Industry Consortium.

The offsetting activities are under analysis. We are looking for valuable projects to mitigate climate change. The purchase of offset credits is available, and there are various projects on the market. These credits are a viable option to offset the "rest of the emissions", which we will never be able to reduce to reach carbon neutrality.

Glass, a material **from the past into the future**

As soon as we are able to significantly reduce our direct CO_2 emissions (scope 1), glass will become one of the best packaging materials as regards the environment and human health. Glass is permanent and inert and can be recycled or reused infinitely without risking human life, like no other material. **Glass lasts forever!**



People

The BA group continues to operate in 7 different countries with the support of around 4.000 employees, speaking 10 different languages.

2021 turned out to be a year where the challenges of leading and developing people were even more demanding due to the transformation/adaptation that all the companies had to do regarding the pandemic, which was only possible to manage due to the base of our culture and of what defines us as a company, our identity, our BA Way.

Our vision of "Wrap dreams beyond packaging" continues to sustain our growth by guiding our behaviours and priorities.

Going beyond on creating opportunities, analysing new ways of working and skills improvement, are among BA's main priorities to develop our people!

We continue to seek and to work on the development of our people, and our focus continues to be innovation and digitalisation, which we consider of great importance to allow us to continue to surprise our customers and consumers and to improve the conditions for all our people. Today, we consider we are a more cohesive and more robust team, and we believe that we are now better prepared for the upcoming challenges.

BA's remuneration policy reflects the Group's goals of developing and retaining high-performing, motivated people in an increasingly competitive market.

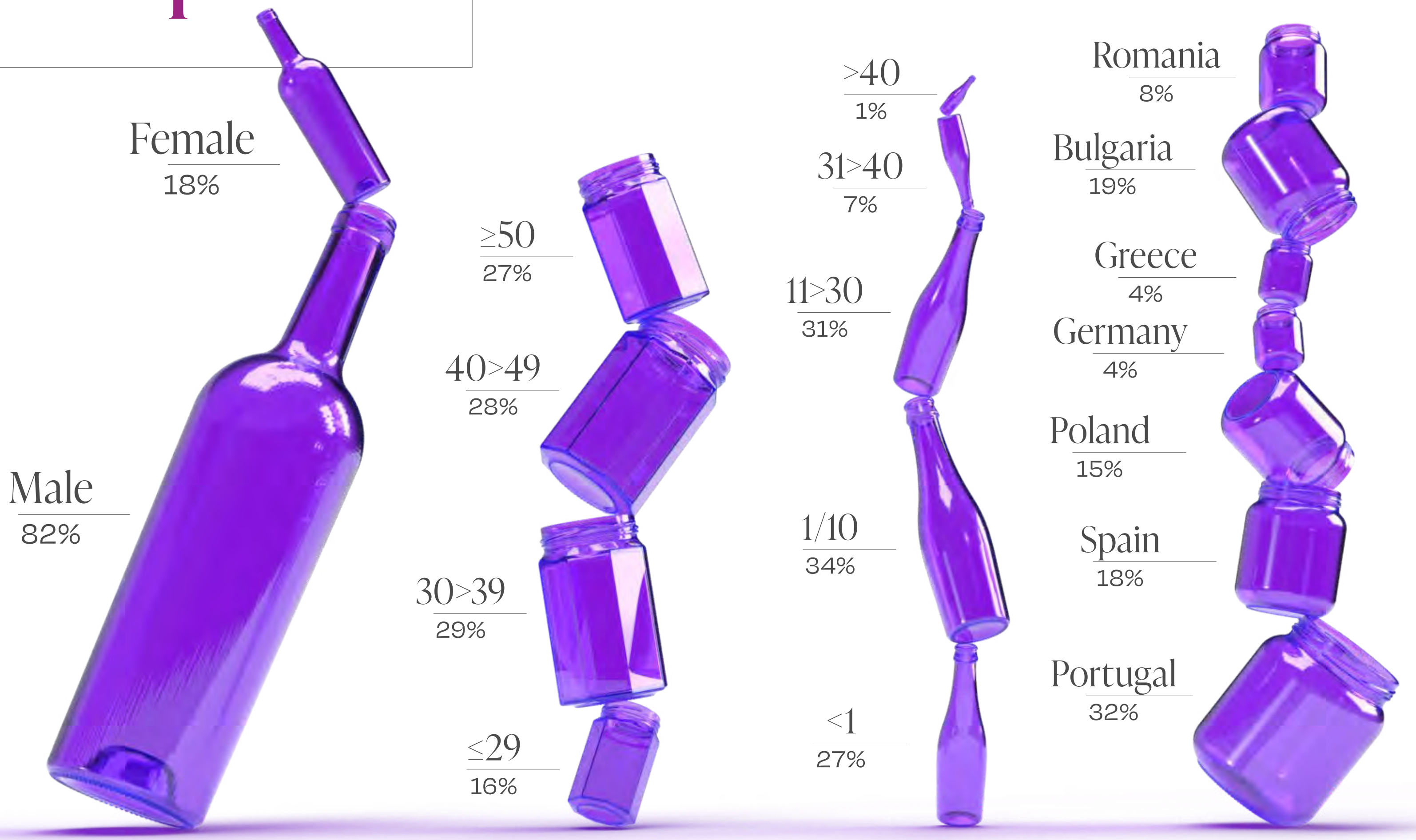
For the purpose of sustainable long-term value creation, the remuneration policy was conceived to align the strategic business goals with individual and team operational goals, offering competitive remuneration packages with fair salaries based on performance and market conditions. Besides the fixed remuneration defined in the Collective or Individual Labour agreements, a variable component has already been set for a considerable number of BA's employees. It provides an effective means of motivating and compensating the achievement of business and individual performance goals on a yearly basis.

The individual assessment is defined under specific regulations, according to the position and geography. As a rule, all managers and supervisors are part of a unique system, the People Assessment & Development (PAD) system. Its purpose is to assess how each person develops their activity regarding goal-achieving, attitude, motivation and interest in the Company's development.

Furthermore, top senior managers, whose actions are vital to the transformation and sustainable valuation of the business, are entitled to a deferred bonus plan under the rules of eligibility outlined in a specific regulation. The deferred bonus achievement will depend on the sustained creation of value for shareholders over three years, measured by the Company's value growth. This component provides its subscribers with the possibility of sharing the value created by their direct involvement in the set strategy and in business management with the shareholders.

Our People

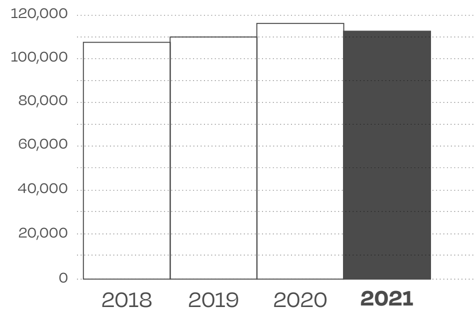
The gender, age, seniority and geography distribution is related to internal employees



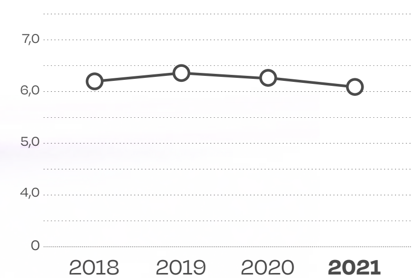
Nr. of People
[FTE]

2020	2021
3992	3990

Personnel Costs (k.€)



Absenteeism (%)



BA Academy

Think digital
and make it easier

academy
thrive for more

+117.000
training hours

People are one of the main pillars of our Vision – the pillar that sustains the Company's health and one that much contributes to its growth.

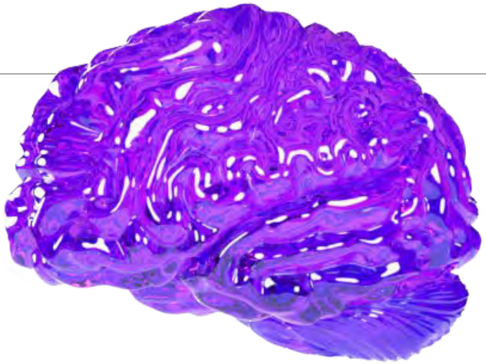
Going beyond on creating opportunities, analysing new ways of working and skills improvement, are among BA's main priorities to develop our people.

"Think digital and make it easier".

BA set new and more ambitious goals, building on previously achieved targets and the Industry's best accomplishments. To reach them, we provide the necessary competencies to our people.

These goals are set as a challenge to all the teams (some being transversal to the entire company) and as a guide to continuous improvements in all areas of the organisation.

BA Academy



Training continued to be a priority in the development of our people, and the BA Academy, namely our Schools of Newcomers, Leadership & Management, Digitalization, Customers & Consumers, Operations, Systems, continued to perform, allowing to work and improve our people skills, not only through online sessions because in some cases it was already possible to return to the presential learning.

The year ended with a big boost on our Digitalisation school, which will be very important to continue preparing our employees to deal with the new challenges, consequence of automatisation and digitalisation of our processes, that have undergone significant changes, which improves and endows our plants with the automatic control of the entire process, swabbing robots, augmented reality, and predictive analysis. And this will not stop here, this is the moment to improve and consolidate digital awareness and mindset, as other projects continue to be implemented, transforming the way our people work.

However, this will also be possible due to the support and complement of our intensive TWI programs (training within industry), which continue playing an important role on the standardisation of work procedures for specific job functions and in the transfer and sharing of knowledge.

As the future will be even more demanding, another BA's priority continues to be the upskilling of our people, so that they are prepared and have the ability to work in a highly digitalised industry.

Systems School continued to sustain our number one priority, the Safety of our people, performing the mandatory training as well as specific Safety programs to raise the awareness and to promote outstanding behaviours as well as an exempt safety culture, together with quality, environment, energy, food safety and social accountability trainings.

Leadership, innovation, creativity, risk-taking and collaboration are undoubtedly some of the skills that will make the difference in the upcoming Digital Era, and that is the reason why BA will continue to invest on the performance assessment and career development programs to improve it among our people.

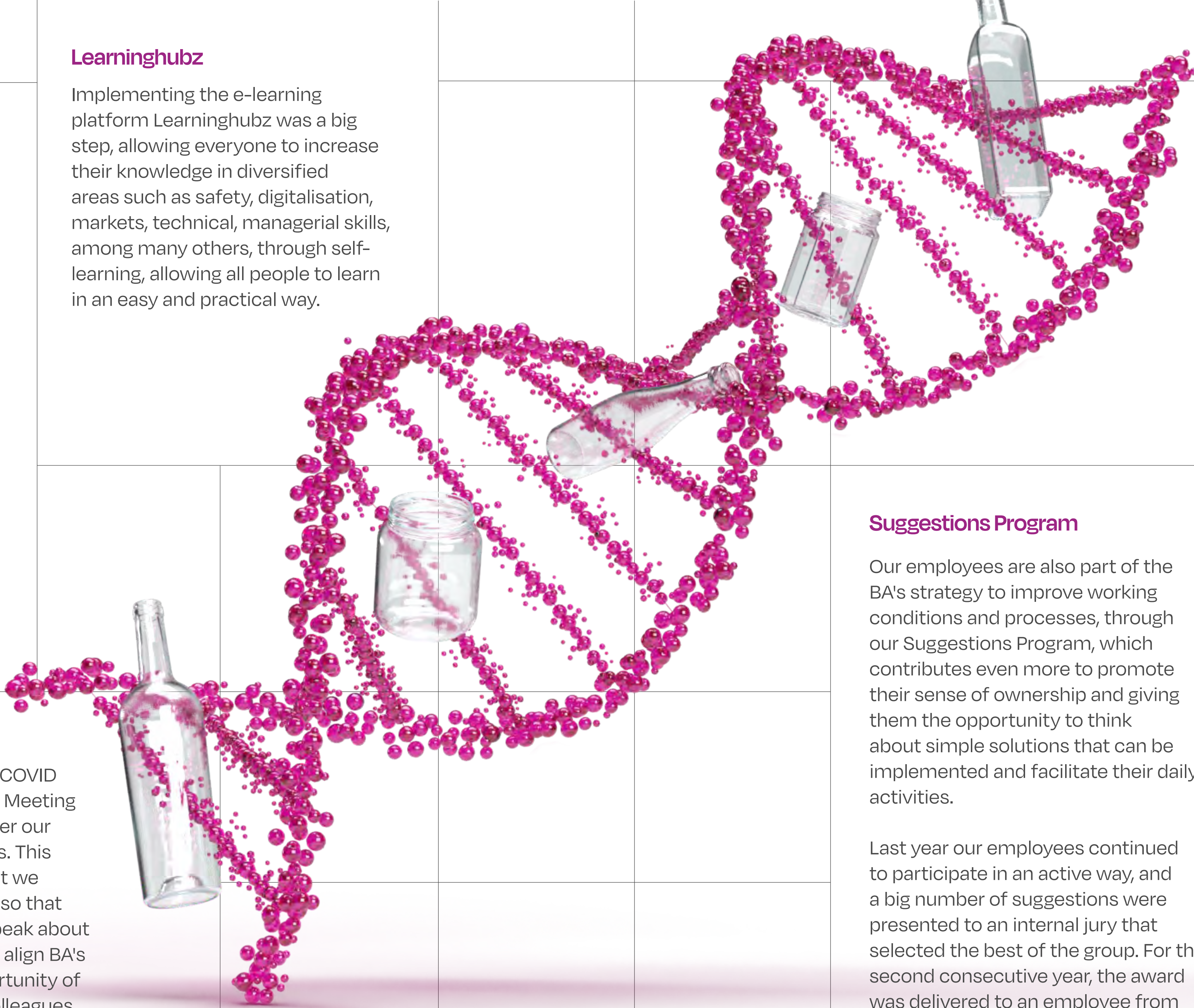
Ownership is part of our DNA and its importance became more evident than ever in the last year.

Independent of geography, department or responsibility level, all employees are called upon to be part of the continuous improvement and disruption at BA.

Throughout the year, BA continued to perform and allow all employees to be part of many important initiatives that contribute for everyone's development as well as the company's success, based on the values and principles that characterise us.

Learninghubz

Implementing the e-learning platform Learninghubz was a big step, allowing everyone to increase their knowledge in diversified areas such as safety, digitalisation, markets, technical, managerial skills, among many others, through self-learning, allowing all people to learn in an easy and practical way.



Annual Management Meeting

Although in 2021 we were still facing COVID restrictions, our Annual Management Meeting was held, where we managed to gather our people across 7 different geographies. This is a special moment and initiative that we continue to consider very important, so that together, we can share knowledge, speak about upcoming challenges and inspire and align BA's management vision, having the opportunity of networking and teambuilding with colleagues from different geographies.

Suggestions Program

Our employees are also part of the BA's strategy to improve working conditions and processes, through our Suggestions Program, which contributes even more to promote their sense of ownership and giving them the opportunity to think about simple solutions that can be implemented and facilitate their daily activities.

Last year our employees continued to participate in an active way, and a big number of suggestions were presented to an internal jury that selected the best of the group. For the second consecutive year, the award was delivered to an employee from our León plant.

Communication

Communication is the foundation which allows BA to build trust among all employees, providing clarity and direction to keep them all unified and performing well.

The internal communication tools support our process of welcoming new employees, which can be an effective measure to keep our people engaged.

Our Management Board continued to use our communication tools to share best practices and keep people aligned with all the safety measures to ensure the health and safety of BA employees.

Group Achievements

Internal Projects

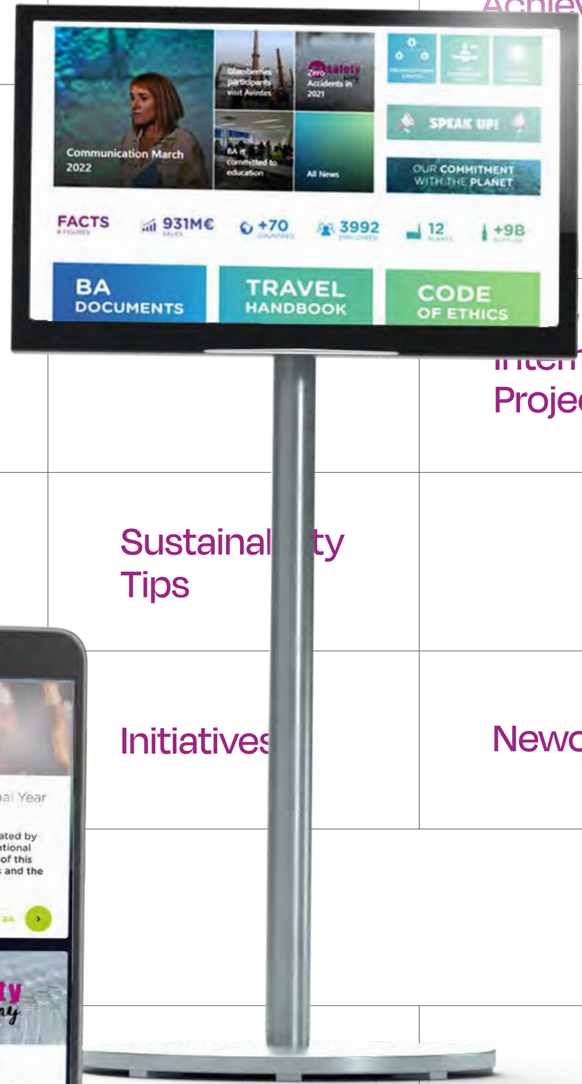
Innovation

Sustainability Tips

Initiatives

Newcomers

18.000 Followers



As part of BA's communication plan, through the main internal chains, such as our APP, our BA Spot portal, as well as through external channels, many different initiatives were promoted, which allowed us to share the Group's achievements, internal projects and innovations, sustainability tips and actions, and also our safety campaigns.

Using BA's official social networks allowed us to obtain a higher number of followers when compared with the previous year, reaching more partners, customers and final consumers.

Health and Safety

The Safety of All employees is a priority in BA's strategy, which continuously seeks to provide and improve safe and healthy working conditions for the prevention of work-related injuries and ill-health.

Our goal is to reach zero accidents and continue to eliminate workplace hazards, reduce OH&S risks, and prevent incidents from happening, considering several inputs, including the results of worker surveys and participation.

In 2021, BA managed to reduce the number of accidents, but our ambition is to go beyond, chase the zero accidents goal and improve risk reduction. Several actions and initiatives were taken to support our strategy:

Zerø Accidents

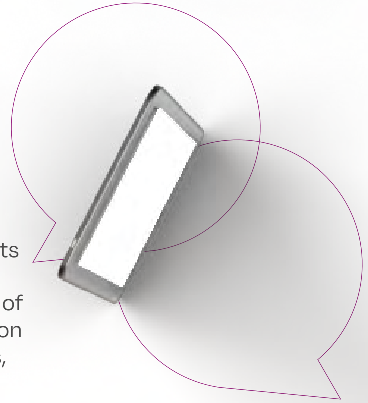
Safety Hubs

During 2021, we continued performing The SAFETY HUBS in order to support, ensure and increase safety in the three risker areas of our Industry, namely Production Machines, Investment Projects, and Moving Machines.

Near Misses Matrix

A platform that allows each employee to report unsafe situations deemed to be hazardous. Since its kickoff in June, 832 events were reported by the whole Group.

Safety Talks

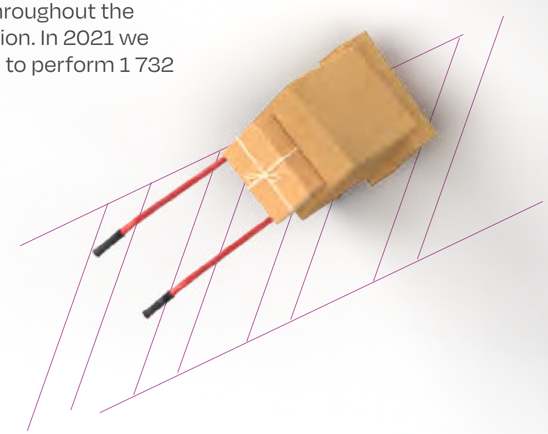


A digital tool that presents monthly talks with all employees with the aim of sharing safety information related to current trends, mainly accidents, near misses, best practices, etc. It is a way of getting all the teams involved and reinforcing a positive safety culture throughout the organisation. In 2021 we managed to perform 1 732 talks.

E-Coordina platform

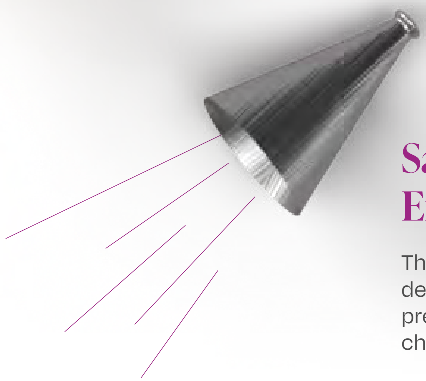
A new platform to manage documentation from external companies to ensure the compliance with H&S obligations.

Safety Walks



Performed by all Executive Board members, resulting in 205 actions mainly related to fire risks and vehicle run overs, stumbles and falls.

Safety Supervisors Empowerment Program (SSEP):



The SSEP is an immersive experience focused on the development of skills for all our Safety Supervisors to be prepared to embrace, participate, and boost the cultural change on safety.

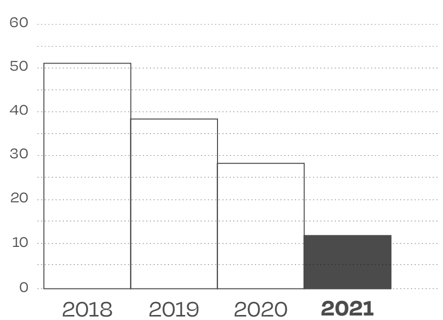
Health and Safety

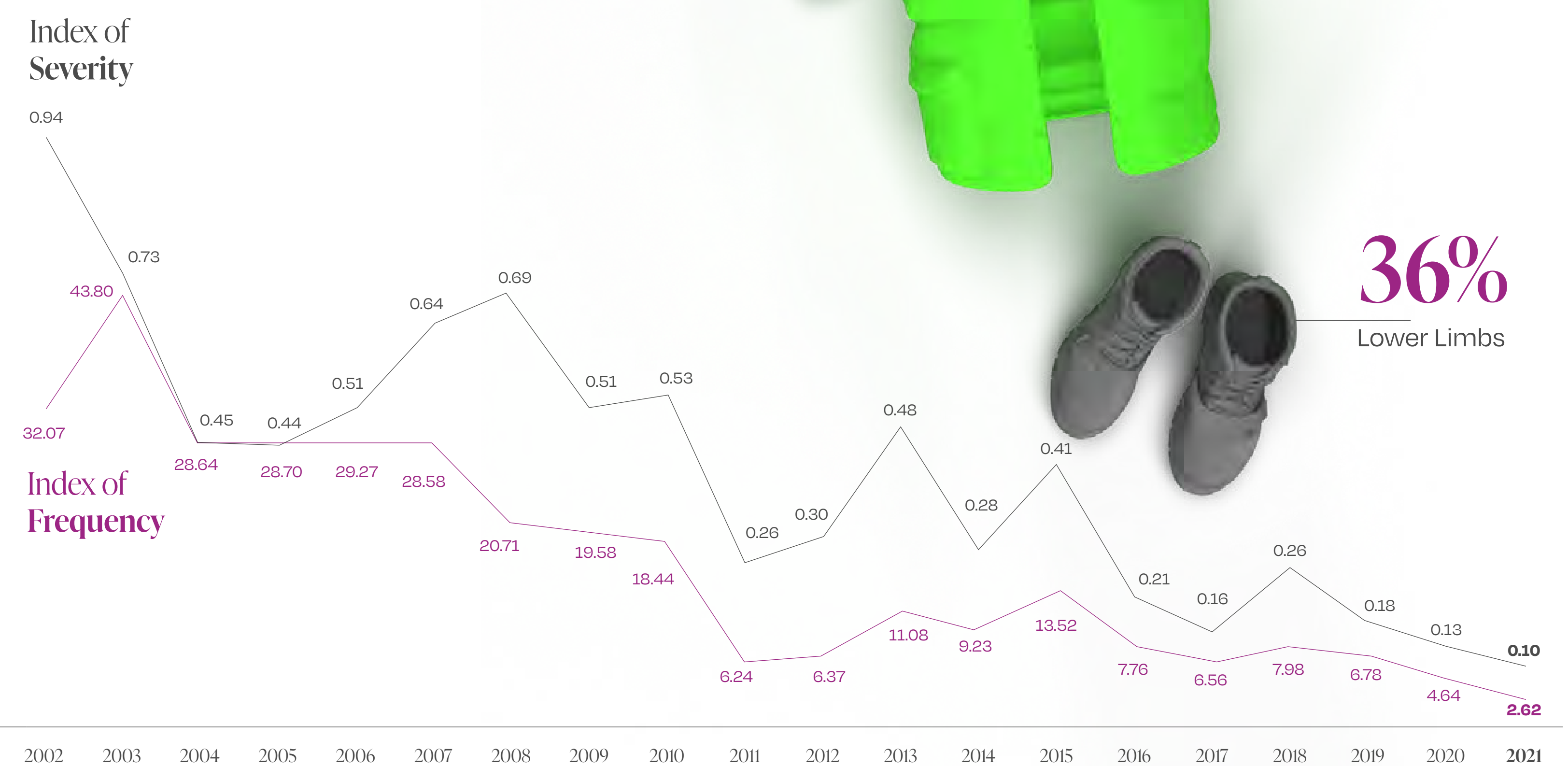
BA's goal is to reach zero accidents.

32% Bruises and Crushes	10% Sprains and Strains
22% Cuts	36% Others

Continuous work is being carried out, mainly through the implementation of measures to prevent employees from suffering personal injuries in the workplace. The promotion of several safety campaigns has raised our employees' awareness of the need to seek safer work behaviours, guaranteeing the health and safety of all.

Accidents (no.)





Health and Safety

Safety Hubs
A transformation process for Health and Safety

The Safety Hubs are a key element in the implementation of our BA Safety Way.

These multidisciplinary groups were created with the aim of helping the company to increase its BA Safety Culture, and their contribution resulted in the development of several initiatives with immediate enforceability.

As a result of these initiatives, we point out the implementation of the Intelligent Proximity Alert System to avoid collisions with forklifts, the development of an onboarding safety video for external workers, new procedures for construction works during investments, new Personal Protective Equipment and the implementation of safety solutions in the Hot End area, such as nonslip floors and blank mold protections, among many others.

These teams, made up of people with different experiences and backgrounds are part of the mainspring towards the implementation of a strong safety culture which will support the **Zero Accidents** goal.

E-Coordina Platform

In 2021, BA implemented the "E-COORDINA" platform to support the management of documentation from external companies, in order to comply with Health & Safety obligations, including ISO 451001, SMETA, SA8000, GDPR...
The goal is to simplify the access to our premises and assure the necessary safety control of all external people. This platform allowed to optimise tasks by saving time and automatise processes which allowed a required monitoring of the documentation.

Safety Way

BA Model

Safety Hubs

Solution Thinkers

Safety Solutions

Process Improvement
Creation of New Procedures
New Tools and KPIs

Zero Accidents

Healthier and Safer Work Environment

Code of Ethics

The Social Accountability System implemented in the Group shows BA's commitment to developing its Employees and Society, by adopting principles of responsibility, ethics and transparency, thereby honouring its commitment of recognising social accountability as an essential factor to the continuous development of its business.

BA deemed as essential the promotion and accomplishment of its Code of Ethics by the Group companies, based on the goal of encouraging our people to adhere to these principles and behave according to the commitments, values and conduct established in our Code.

By applying these ethical patterns, we aim to promote a working environment based on respect, integrity and equity.

Our Code of Ethics represents the ethical standards to which BA is committed and that it considers being an essential factor to the development of the Company.

Principles

— Responsibility
— Confidentiality and Secrecy
— Conflict of Interests
— Work Environment and Balance
— Professional Pride and Perfection
— Company Assets and Resources
— Condemning Corruption and Bribery
— Personal Transactions Performed by Employees
— Privacy and Confidentiality
— Transparency

Relationship with interested parties

— Customers and Suppliers
— Shareholders
— Supervisory Authorities
— Competitors
— Media

Commitments to environmental sustainability

— Rational use of resources
— Waste reduction and reuse

Commitments to human rights

— Child Labour
— Forced and Compulsory labour
— Health and Safety
— Freedom of Association and Right to Collective Bargaining
— Non-Discrimination and Equal Opportunities
— Disciplinary Practices
— Labour Time
— Remuneration

Speak Up

Whistleblowing Procedure

BA Glass conducts its activity according to its values: Humbleness, Emotion, Ambition, Rigour and Transparency. Considering these values, as well as the importance of behavioural and ethical matters, we have created rules and communication channels to ensure that all persons can report any known or reasonably suspicious irregularities.

This way, it will be possible to eliminate and prevent irregular practices allegedly carried out by any stakeholder, employee, customer, supplier, partner, or any other entity or individual dealing with the BA Glass Group.

All irregularities related to corruption and bribery, fraud, conflict of interests, money laundering, anti-competition practices, confidential information, sexual or other kinds of harassment, discrimination of any nature, labour and human rights should be reported.

In 2021 were analysed 9 irregularities under the speak-up BA Group procedure, of low or medium severity. The committee decided on the investigation procedures for each of them and took the necessary measures to clarify or close them.

Such occurrences must be reported via the following channels:

Email
speakup@baglass.com

Post
A/C: Speak Up
Avenida Vasco da Gama, 8001
4434-508, Avintes, Portugal

For more details,
please visit our website
www.baglass.com

Communities

BA continues to contribute to the development of local communities through the financial support given to educational institutions, such as:

42 LISBOA

casa da música

epis EMPRESÁRIOS PELA INCLUSÃO SOCIAL

SERRALVES

STEAUA BUCURESTI

WATER POLO TEAM
"STEAUA BUCHAREST"

WARTA SIERAKÓW

SIERAKOW
FOOTBALL TEAM

BASKETBALL CLUB SIERAKÓW

SIERAKOW
BASKETBALL TEAM

Miro Deutsche Fußballschule

JEDLICE
FOOTBALL TEAM

TEACH FOR PORTUGAL

Teach FOR ROMANIA

UKS Athletic

JEDLICE
SCHOOL SPORT

D'O Bagos D'Ouro

Education

Glass Seeds
Education Nurtured by BA

Our approach to Communities is driven by the belief that Education is a powerful tool of transformation and crucial to build a better future.

In 2021, BA continued to support educational projects for the youngest generations, through the Glass Seeds project, which was born to promote equal opportunities and meritocracy in our local communities through educational support.

Based on 4 main pillars, Foundations, Work, Future, and Planet, we aim to support the development of leaders and citizens to contribute for a sustainable future.

The year 2021 was very important to consolidate the existing partnerships namely with 42 Lisbon (Education for the Future), Teach4Portugal (Education for the Foundations), Stand4Good (Education for the Foundations and for Work) and EPIS (Education for the Planet). Teach4Romania and secondary/technical schools in Romania and in Poland, integrated our network of partners this year, which, together with us, will also contribute and play an important role in the development of the communities.

Education for the **Foundations**

- To ensure equal opportunities.
- To promote essential literacy, citizenship behaviours and contribute for the access to higher education.

Education for the **Future**

- To support the development of the skills for the future.
- To support the development of skills such as critical thinking, creativity, innovation, problem-solving, programming, and technology use.

Education for **Work**

- To strengthen the relations between BA Glass and Schools.
- To promote not only the technical knowledge of young generations, but also skills such as leadership and communication.

Education for the **Planet**

- To encourage pro-environmental actions.
- To boost behaviours of conscious consumption, recycling and environmental protection.

Certifications

Audits and Recognition

BA's commitment with ethical, sustainable and social concerns leads the company to undertake and contribute with essential/ fundamental actions/behaviours. We would like to highlight the assessment and recognition of our environmental commitments by main certified entities:

The **ECOVADIS** platform, which supports the company to assess and monitor the performance and continuous improvement with the aim of reinforcing and developing corporate social responsibility practices, sustainable development performance, and also facilitating risk management and incentives to introduce innovations.

SEDEX is one of the world's leading ethical trade service providers, working to improve labour conditions in global supply chains, providing services and a community network which we have been following to reach SMETA 4 pillars (Sedex Members Ethical Trade Audit) audit methodology on its 4 pillars on Labour, Health and Safety, Environment and Business Ethics.

SA8000

SA8000 certification on international standards that recognises fundamental and universal human rights embodied in International Conventions and Treaties, which proves our commitment towards the principles of this norm: Child Labour / Forced and compulsory labour: Health and Safety / Freedom of association and the right to collective negotiation / Discrimination and equal opportunity / Disciplinary practices / Working hours / Remuneration.

Associations

BA has been assuming a public commitment to the development of its activities in a sustainable way from three different perspectives - economic, environmental and social, complying not only with legal requirements, but also with principles that the company has subscribed to for many years.

The pillars of BA's Vision, together with BA's social and environmental commitments, are the basis of our sustainable development, decisions, and actions.

BA integrated management system ensures the compliance with the following international standards :

- ISO 9001 - Quality Management;
- FSSC 22000 - Food Safety Management;
- ISO 14001 - Environmental Management;
- ISO 50001 - Energy Management;
- ISO 45001 - Occupational Health and Safety Management
- SA 8000 - Social Accountability management;

We believe that the adoption of international standards brings added value to the improvement of company procedures and practices, and that certification is a guarantee of consistency and best practices, which will benefit customers and the whole value chain. The company and its subsidiaries are members of the following associations: FEVE – Fédération Européenne du Verre d'Emballage; Food Packaging Forum Foundation; Polish Glass Manufacturers Federation; AIVE – Associação dos Industriais de Vidro de Embalagem; ANFEVI – Asociación Nacional de Empresas de Fabricación Automática de Envases de Vidrio; Smart Waste Portugal and, International Year of Glass. BA Glass continues to be an active member of these associations, placing a particular emphasis on promoting glass as a sustainable and healthy packaging material, and on monitoring national and community legislative initiatives. The recycling of glass was the focus of all associations, reinforced by the need to deliver packaging containing more recyclable materials.

30%

of our new projects were lighweights

To be immersed in nature.

Above all, PURE is not just a glass packaging brand. PURE is about being conscious, transparent, and natural.

In times where protecting the environment can no longer be a choice, BA Glass has taken a step forward and brought all its initiatives together under one brand - PURE.

PURE was born with the aim of making glass more environmentally friendly through conscious design, where nature comes first in every part of the creation process. We believe that eco-design plays a fundamental role in this respect, allowing us to have green thinking every time we develop a glass container.

The PURE brand reflects not only BA's efforts towards sustainability but also the customers' interest in developing more optimised and sustainable packaging. In 2021, over 30% of our new projects were lightweights, and we believe that sustainability is no longer a trend but a reality for the future.

From PURE, three distinct lines emerge that express different approaches to achieve one goal - bringing nature first.

PURE Life is born with the commitment to produce the most sustainable packaging through conscious thinking. From PURE Life come the products with the highest possible percentage of recycled glass and the lightest models, reducing the impact of CO_2 emissions by optimising production and transportation.

PURE Premium is the result of a balance between exclusivity and uniqueness and the respect for nature. This brand wants to go beyond boundaries and develop a sustainable glass packaging combining exclusivity, elegance, and minimalism. PURE Premium aims to challenge the consumer perception by delivering a value-added product that explores eco-design solutions.

PURE Innovation is born from the ambition to challenge and be challenged by the market, customers, and consumers. This brand aims to provide and develop innovative solutions, where the possibilities are endless through a green mindset.

Customer Survey

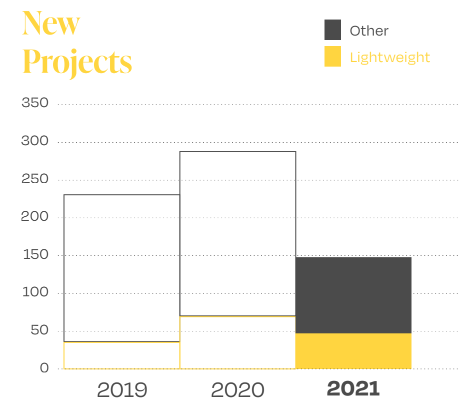
10 Years

of customer satisfaction index

Customer Highlights

1. Commercial Attendance

2. Product Quality



At BA, we value our customers' opinion, and this year marks 10 years since we evaluated the Customer Satisfaction Index. For us, our customers' feedback is a powerful tool that allows us to understand our customers needs, adjusting our actions. In 2021, our customers considered product quality to be BA's second greatest strength after commercial attendance.

The high demand for flexibility in our plants had an impact in our quality index, however our resilience and focus enable us to surpass our problems and delivery the excellence we promise to our customers once again.

Beyond Design and Innovation

In 2021, we set a record and increased the number of products launched in the market by 3 times, compared to 2020, and almost doubled the sales from BA Design projects.

At BA, we are concerned not only with serving our customers, but also with adapting to consumers' needs. The consumer is increasingly concerned with waste reduction, and that is why we promote recycling as the best option for glass. Besides, we have also been developing solutions that allow the consumer to give the product a second life.

3x

We increased the number of products launched to the market by 3 times, compared to 2020

2x

We almost doubled the sales from BA Design projects

Sustainable Brand / Product innovation

Ambar Jars

This new jar arises from our innovative thinking, delivering a unique and differentiated product to consumers.

The colour change allows us to reduce CO_2 emissions since the integration of recycled glass is higher in coloured glass, compared to flint glass, taking less from nature and perpetuating the product life cycle. It also provides UV light protection preserving food quality even more.

Innovation Initiatives

The market is constantly changing as new trends emerge that are changing needs, behaviours and interests of consumers. At BA, we are aware of how dynamic this constant challenge is, and therefore, innovation is the basis for the development of new solutions that adapt to our customers' needs.

Innovation challenges are actions with our customers to find savings and working in portfolio optimisation for each market, country and segment.

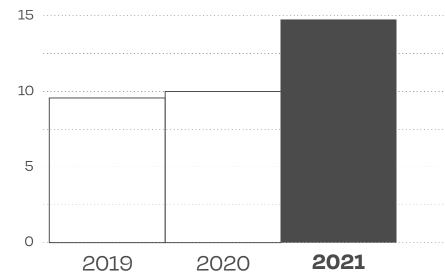
These challenges are based on 6 distinct pillars that allow a holistic view of the solutions to be developed, namely, Design & Innovation, Stocks & Production, Logistics & Distribution, Technology & Quality, IT's & Back Office and Consumer Focus.

After developing an innovation challenge, we work in cooperation with our customers to implement them and track the real gains.

In 2021, we set a new record with 14 innovation challenges implemented.

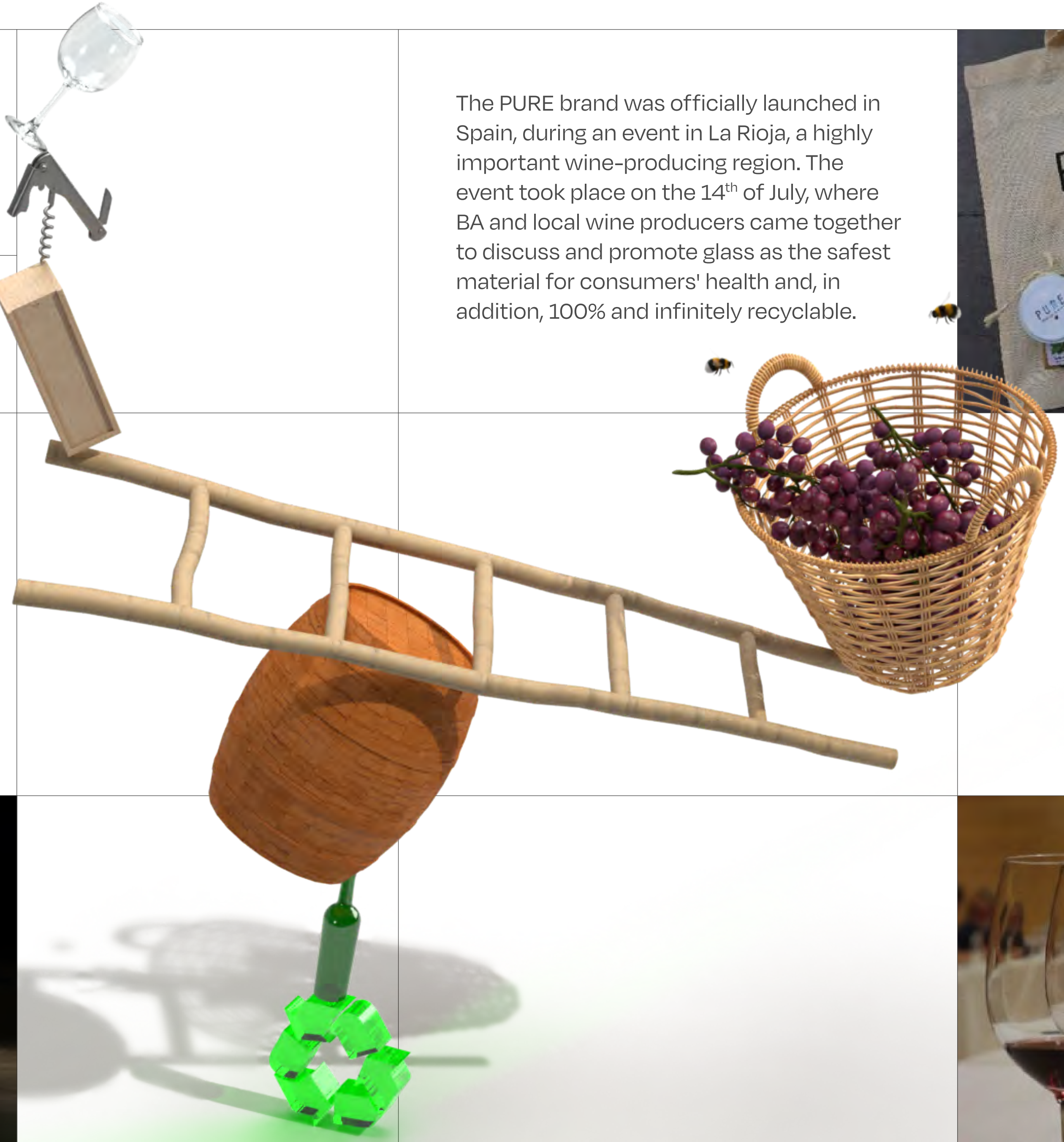
At BA, we follow a KPI that measures the innovation success rate of our new projects, by giving to the most innovative projects (BA Designs and Lightweights), a higher weight than other projects in the overall success rate. In 2021, we set a new record of a 155% rate.

Innovation Challenges Implemented (No.)



Sustainability Events

To promote initiatives around sustainability, BA has developed events with customers in value-added markets.



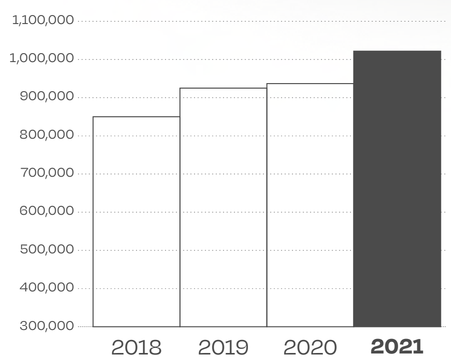
The PURE brand was officially launched in Spain, during an event in La Rioja, a highly important wine-producing region. The event took place on the 14th of July, where BA and local wine producers came together to discuss and promote glass as the safest material for consumers' health and, in addition, 100% and infinitely recyclable.

Shareholders

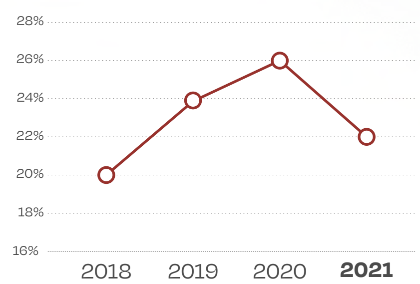
Create value for our SHAREHOLDERS by ensuring the company's long-term sustainability through growth and profitability while promoting and defending its values and improving our productivity, operational efficiency, and assets turnover.

Sales increased 9.2% compared with last year to a record value of EUR 1,016 million. Despite this significant increase, cost inflation, particularly the surge in energy prices, severely hit our EBITDA, which decreased EUR 79 million, when compared to 2020, reaching EUR 249 million to a 24.5% EBITDA to sales margin (10.8 p.p. below 2020). The direct effect of energy price growth in the decrease of the yearly EBITDA reached 145.4 million euros, and the indirect effects hit almost all production and transport costs.

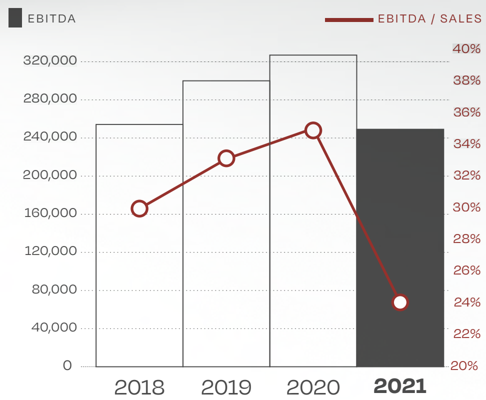
Turnover (k.€)



Return on Equity



EBITDA / Sales



Innovation & Technology

In 2021, BA accelerated 2020's path on Digital Transformation. The most innovative available technologies in Digital Manufacturing were studied, benchmarked and installed.

We have assessed the initiatives with clear impact on the business, which can improve the quality of our products, bring more consistency to the production process, and make BA working places more digitalised and more attractive.

The global digitalisation strategy has also changed.

BA strongly developed its internal capacity for digital transformation, covering 3 areas: process transformation, end-to-end visibility, and advanced analytics. By adding more and new skills, namely Process, IIoT, DevOps and Data engineers, as well as Data Scientists, we were able to take the required pace of implementation and be prepared to deliver on the acceleration plan for future years.

Specific and scattered exploring initiatives were combined with digital transformation of a complete furnace and all its production lines. The potential of adding process robotisation, full advance sensors system on hot end forming areas and end-to-end visibility, created conditions for process consistency and efficiency, people upskilling, motivation and re-organisation, and to optimise the process through advanced analytics tools.

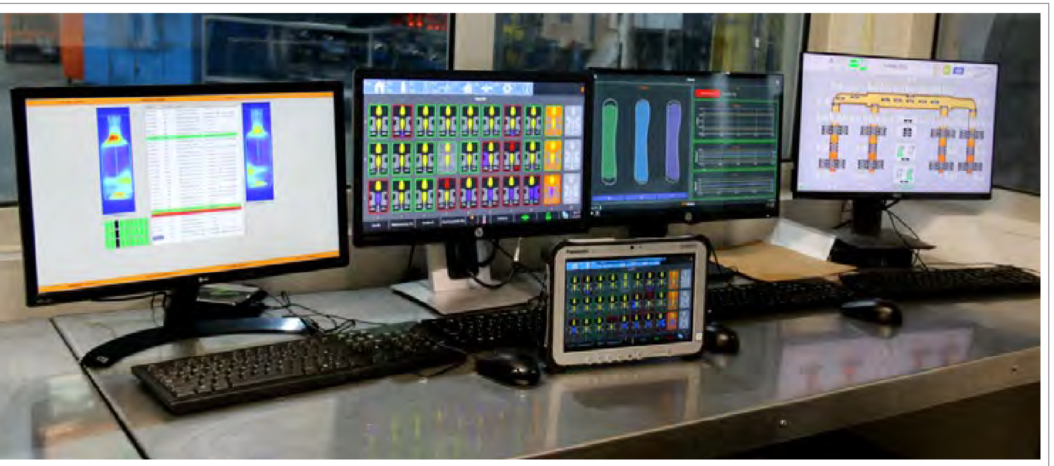
This is a pilot initiative with the goal of exploiting and rolling out to other furnaces and plants and keep on striving on the path and vision of lights-out concept plants.

End-to-End visibility

BA Manufacturing eXperience The BA MeX is an industrial IoT platform that centralises all shop-floor data in a single manufacturing execution system-based solution. It provides real-time end-to-end process visibility, integrating all stages of the process, from raw materials storage to the products warehouse. It provides a clear and valuable representation of process data, enabling proactive and faster decision-making at the shop-floor level.

This system enables the production team to monitor, end-to-end, all the key variables of the manufacturing processes and lays the foundations for full process traceability, standardisation and optimisation.

75% of our plants are already equipped with this system.



Advanced Analytics

Analysing past data, allow us to develop models that better support operations. An example of this is the progress we achieved with our furnace optimiser. This tool is a prescriptive system that simulates the furnace's basic operation and helps to minimise energy operation costs and CO_2 emissions.

Today, the daily setup decisions in 4 BA furnaces are supported on this machine learning tool, and we are actively extending it to more furnaces, improving decision process and operation optimisation (6 more furnaces in 2022).

In 2021, we continue our work in advanced predictive analytics, developing a BA team, together with universities and research centres. It is an amazing and powerful tool that will change the way BA produces, taking process efficiency to the next level.

Process Transformation: Robotisation, Sensoring & Automation

The swabbing robots were installed in several plants. These automatic swabbing systems aim to improve production process stability and consistency by robotising a human repetitive manual task. Although still at an early stage, this technology will play an important role in the full automation of our processes. During 2022, ten more swabbing robots will be installed across BA production lines.

Advanced process tools were installed in different production lines, providing more continuous process data, accelerating the decision process, enabling closed loops and feeding advanced analytics initiatives.

2021

Annual Report

Management Report

Year Activity

Markets

At the beginning of 2021, we all thought that this pandemic would soon be over, and we heard many different analyses and opinions about what the "new post-pandemic reality" could be and how this new reality would impact consumption choices and our daily lives. And then, the reality turned out not to be what we expected.

We started the year focused on consolidating BA's position with existing customers and looking for new customers and offers, while reducing the implementation time for new projects. We had to benefit from the investments made during the pandemic period, but also the ones executed during the year.

The market recovered better than expected. Household savings rates were at a very high level. Consumers demonstrated their preference for glass in many of their beverage and food choices. Inventories were quite low as a result of the pandemic. All this drove us to a record year of sales. With a growth of 9.2% compared to 2020, we ended the year above a billion euros in turnover, an exciting landmark in the 109° year of the company's history.

Supply during the summer was particularly challenging when the scarcity of glass became a reality. We worked hard, in close partnership with our customers, to accommodate all their needs and to maintain service levels, bringing much more complexity to our industrial operations to guarantee delivering according to customers' requests.

Sales grew in all segments and in all countries, returning to a more typical portfolio, where Horeca segments regained part of the market share. Consumer behavior started to shift back to the pre-pandemic profile, with more eating away from home. However, sales in the Food & Oil segment remained significantly above 2019 and Softdrinks were still trying to recover the volumes sold in 2019.

Despite the positive market trend, new challenges appeared, significantly impacting our business. Suddenly transportation by sea was constrained by a much smaller available capacity and costs rose to totally unexpected levels. All these changes impacted our service level and particularly the reliability of our delivery to specific countries. Also, transportation by truck was heavily affected: many fewer trucks were available and at much higher prices.

As the year went on, the increase in production costs started to become unaffordable, as it was difficult to pass this to the market. Suddenly some agreements became less profitable and severely damaged business profitability.

Inflation is now a reality and is affecting the price of glass packaging in a similar way as it was already affecting the price of many other packaging materials.

We still don't know when energy prices will stabilize, but inflation in our production costs is considerable as it is in many other industries. Our industry will need to keep adjusting prices to ensure the continuity of production and investments.

INNOVATION

Despite all the adversities that we had to manage to keep all our production lines running, we maintained our focus on innovation and sustainability.

The motivation to implement and invest in energy efficient practices is higher than ever. More recycled glass was incorporated into our products and the lightweight program was extended to other items in our portfolio.

We challenged our customers with a new brand: "Pure - immersed in nature" where innovation is dedicated to sustainability, and what we produce comes from nature and ends in nature, in a close the glass loop.

With a challenging mindset, during 2021 we achieved a record level of lightweight production, but also set a record in the number of new products developed and launched, working closer to our customers, understanding their expectations and needs, and offering more sustainable solutions.

SUSTAINABILITY

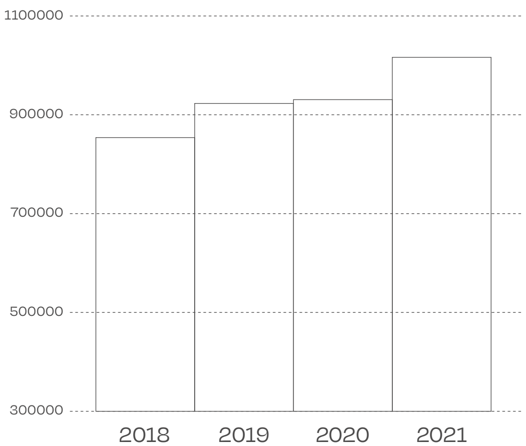
The development of our carbon reduction roadmap was reinforced, and a new record was set. In 2021, we emitted 2.8% less during the production of jars and bottles (scope 1), when compared with 2020. We found new routes and new options to transport our products. We looked for lower carbon raw materials and applied artificial intelligence to the melting process, going beyond its known process limits.

The commitment to sustainability and a much greener future was reinforced when we committed with the science-based targets initiative and set, as our target for 2035, a reduction of 50% in the amount of CO_2 emitted by each ton of glass we produce,in line with the goal of limiting the global warming to well below 2ºC.

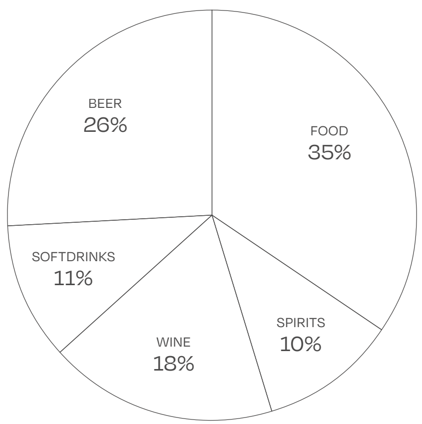
For the second time in a row, we were recognized by the World Finance Sustainability Awards as the Most Sustainable Company worldwide in the Glass Industry. And for the first time, BA Glass achieved an A- score (it was C in 2020) from the CDP, Carbon Disclosure Project, organization, which recognized our progress in building a strategy and an organization towards carbon neutrality.

The glass packaging industry's commitment to recycling and a circular economy is being reinforced with the launch of innovative initiatives. We must highlight the Close the Glass Loop project, a European recycling action platform, focused on substantially increasing the recycling rates in European countries, which brings together all stakeholders with a role in such an ambitious goal. During the year a similar initiative, the Vidro+, was born in Portugal, with the aim to improve the recycling rate in Portugal.

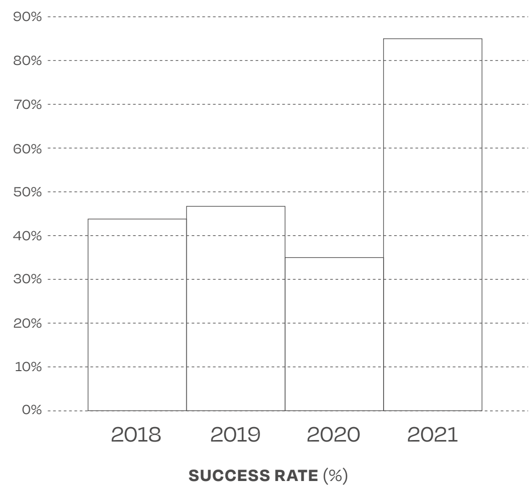
TURNOVER (k. €)



SALES BY SEGMENT (%)



New Projects Success Rate (%)



New projects success rate (%)= 1st productions / total projects developed

Operations

Challenges and actions

After a very complex 2020, where flexibility was asked of all our operational teams in order to cope with and adapt to the challenges brought on by the pandemic, 2021 became a year focused on the efficiency of our operations. The severe industrial cost increase became more acute in the second part of the year and manufacturing efficiency became very important.

In 2021 the biggest challenges in operations were related with cost inflation. It started with transportation, first sea and then truck freight, then commodities, with plastics at the forefront. And, in August, energy prices started to increase exponentially and at the end of the year basically all materials and services were impacted by inflation.

We implemented a number of actions to improve operational performance and efficiency: energy consumption was the main focus, but also raw materials and packaging consumption, and the search for materials alternatives. The targets for production productivity were revisited and teams were challenged to reduce more costs and mitigate such a high level of inflation.

Plants

Our plants were quite efficient, and many records were beaten. Performance improved, especially in the second semester, after finding the right balance between market flexibility and efficiency. Efficiency improvements were followed by other important accomplishments, namely on energy consumption, reaching records in six of our twelve plants and a continuous positive trend in safety, with 17 accidents with loss of time, down from 28 in 2020.

In the Iberian division, the team performed quite well, breaking several records in productivity, quality and service, dealing well with the challenges from the market and the investments. We began to see the first results of the significant investment made in digitalization. The data collection infrastructure is fully implemented, and the data lake is the playground of our data science and analytics teams looking for solutions to the problems the operations face. After several proofs of concept and trials, we have a roadmap that will accelerate the digital transformation of BA Glass.

The performance of the Central European division was negatively impacted by operational problems in the Gardelegen plant during the first quarter that, despite its full recovery during the year, prevented better results in the division. Nevertheless, some records were also broken, with a significant improvement in the Sieraków plant and the consolidation of results in the Jedlice Plant.

In the Southeastern Europe Division, 2021 continued to be a very intense year in terms of organizational transformations through team reorganization, intensive training, and new people attraction and retention. Following the Plovdiv investments, a significant investment was made in our Sofia plant and a full team was recruited and trained to operate the new furnace during the second quarter of 2021. The year had many records, in the pull of the furnace as well as in production efficiency.

COVID-19 remained a challenge, with the proliferation of Omicron variant cases having a direct impact on absenteeism, although not causing any interruption in operations.

Benchmarking and cooperation between plants increased, following the lifting of travel restrictions, restarting the sharing of knowledge between the plants.

Supply chain

On the supply chain side, it was a very challenging year, with inflation the major concern. We ended the year with inflation affecting almost 100% of our costs, but Energy was the most severe increase of all.

The pandemic in 2020 impacted demand and prices, with historic minimums being reached in the summer of 2020. Governments' reaction was strong, and demand for almost everything started to recover very quickly, already evident at the end of 2020, and energy supply was affected, both by the economic recovery and by a decrease in investments in the production of some energies related to the green deal.

These unbalance on energy demand-supply starte to impact its prices, with a steady but normal growth until the summer of 2021. In the autumn, the low stock levels of Natural Gas in Europe, together with geopolitics tensions with Russia and the divestment in fossil fuels and nuclear, triggered an unpredictable growth in the natural gas price. TTF, the main Natural Gas index in Europe, reached 160€/MWh in October and 180€/MWh in December, compared with a normal range of 15 to 25€.

Electricity prices, given the marginal pricing system implemented in Europe, increased in line with Natural Gas, with electricity prices being determined by the highest production cost source, Natural Gas. From a normal range between 40 and 60€, electricity reached a peak above 400€.

The new energy price reality, with high prices and extreme volatility, was at its maximum in the 4^{th} quarter, reaching a peak in December. Futures indicated a relative price normalization in 2023, but nothing can be easily forecasted. To face this new reality, BA Glass changed its hedging policy, in order to decrease volatility and avoid unaffordable risks.

Other cost activities suffered the same cost disruptions, such as transportation, with sea freight increasing more than 6 times compared to historically normal prices, as well as plastics, paper and wood, all experiencing significant price surges, and directly impacting our margins. At the end of the year, raw materials' prices were also impacted, with energy intensive suppliers increasing prices during the last quarter.

The CO2 price followed the same trend and increased 166% in 2021, starting the year with a price in the range of 30€/ton and ended the year with 80€/ton. The growth in activity after the pandemic, the higher consumption of coal because of the natural gas price increase, and the effect of speculators acting on the CO2 market, are some of the reasons behind the significant price increase of CO2.

Unable to change this inflation reality and lacking actions from governments to mitigate the abnormal situation in Europe, in BA we focus our teams on managing the variables we could actually influence.

Cost reduction measures were taken in all departments, adjusting the raw material recipe and energy mix to respond to the new price reality, reinforcing all energy saving actions, optimizing packaging materials, diversifying the source of some materials, looking for options with better prices and solutions.

Investments

In 2021 total investments reached EUR 101 million, 9.8% lower than 2020 (EUR 112 million), which represents 9.9% of sales, a value in line with the industry average. This decrease was related to the fact that no rebuild was concluded in 2021, and in 2020 we made two complete furnace reconstructions. For 2022 we will have a furnace reconstruction in Portugal and a new furnace starting up in Bulgaria.

Digitalization projects played a key role in this year's investments, with a significant commitment to both technology and people skills. Digital tools, together with data analytics and intelligence are changing the way we work, where data analysis and data driven decisions gain much more importance.

As part of our commitment to the environment, a third photovoltaic park was built on the roofs of the Plovdiv plant. This is the Group's third solar facility after Villafranca de los Barros and Avintes, and we have two more facilities being built which will be ready to start producing electricity in 2022.

Innovation & Development

In January 2021 we joined the SBTi (Science Based Targets initiative), and in June we presented our carbon footprint reduction targets for 2035. Emissions from our furnace operations (direct emissions, scope 1) are the most significant and are where the industry, like us, is dedicating financial and human resources to develop much greener solutions. It is neither easy nor cheap to change furnaces technology with more than twenty years old, to use renewable sources of energy. The glass industry project, under FEVE coordination, to develop a hybrid furnace capable of increasing the usage of electricity up to 80% of total energy consumption was not approved by the EU, but this will not stop us and the industry's aims for carbon neutral activities. We are doing our own research and development, working closely with partners and suppliers to make the hybrid furnace technology become a reality.

We also evolved significantly in the carbon capture project, by studying and understanding the available technologies. A proof of concept was designed and will be implemented in one of our plants. Although still a long way from becoming available for use, hydrogen options are deserving of our attention and some partnerships are under development.

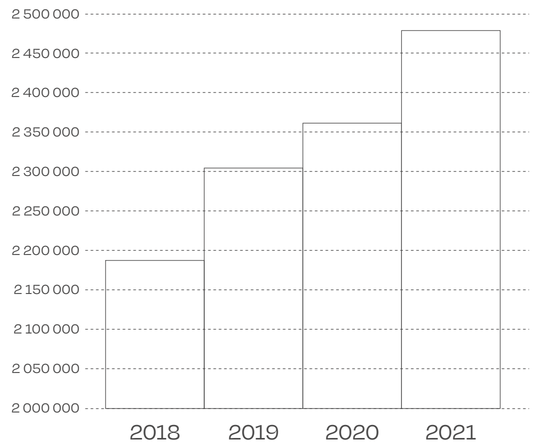
Digitalization is no longer an R&D topic, since IoT, analytics, data science, swabbing robots, artificial intelligence, process mining, predictive and preventive quality, among many others, are part of the routines of many of our plants. In every area from production to administration, our people are incorporating more and more digitalization into their processes, and thus enhancing their performance.

The light-weighting of our bottles and jars continues to be a top priority for our design team, as we believe there is still a lot to be done in this field. In 2021, light-weighted products enabled us to save 9,000 tons of CO2.

M&A

M&A opportunities surged some months after the year started. We analyzed and explored some options to enlarge our business in different geographies. We looked for opportunities that would create value for all our stakeholders. Growth needs to bring long-term value, which is why we are always very demanding and selective with respect to those opportunities.

PRODUCTION (ton)



People

After a 2020 full of challenges and unexpected scenarios, 2021 was a year of consolidation, in which we were able to learn how to work differently in a world with different rules.

Acceleration of the digital transformation made it crucial for us to redesign our workers' skills in order to operate and manage in a much more digital environment. The workers' upskilling programs, which started at full speed during 2021, will be one of BA's biggest challenges in the coming years and one of the most significant opportunities to transform our company.

The project kicked off in all our plants, and we started mapping the present and future workforce skills and defining the future industrial organization. To acquire future-critical capabilities, different programs were designed according to each team's needs, and in partnership with technical schools. In the recruitment processes of new teams, such as the one for the new furnace in Sofia, a more demanding job profile (technical and behavioral) was built. Furthermore, an enormous effort is being made to reinforce a learning culture. Necessary skills of the recent past will become obsolete very quickly. Today we are preparing the upgrade of skills that will soon no longer be needed, and others will emerge, therefore our people's awareness of the constant transformation is a priority.

The strong resumption of activities that were interrupted or slowed down during the periods of lockdown created a boom in the labor market, and many workers became overemployed. Consequently, turnover rates increased in some of our geographies, and it became much more difficult to find specialized workers. Heavy industry today competes with less demanding activities and, particularly after COVID, with the trend of "working from home" which is not compatible with the industry needs.

In 2021, our culture continued to be reaffirmed. Our values: HeART

(Humbleness, emotion, Ambition, Rigour, and Transparency) have always been present in our actions. And we have always invested in demonstrating them clearly, applying them in our daily decisions, and naming their ambassadors, the ones intensively living the “BA Way”. This work became even more intense and was enriched in the last two years, as we were forced to deal with challenging contexts and experiences. Our values will continue to be our pillars, which will help us to overcome other future challenges, just as they did during this difficult period.

Once again, we used benchmarking and the sharing of experiences across geographies as the best way of spreading the values and developing our people, and in 2021 the number of expats increased once again in relation to the previous year.

During 2021, the social survey collected people's opinions regarding five major clusters (strategy, engagements, HR policies, work conditions, and leadership). The survey also included the assessment of the BA Way practices, psychosocial risks and the effectiveness of COVID-19 measures.

The participation rate was above 90% in all the locations (7 plants above 97%), representing a record attendance and reflecting our people's trust in the effectiveness of this tool. The average score of all the BA Group was 3.7 vs. 3.5 in the last survey (on a 1 to 5 scale) and it was, in fact, the best score ever. For the second consecutive year, Sofia was the plant with the highest score, representing the recognition for all the investments we made in the region in recent years.

When it was possible, we returned to visiting schools and universities and receiving students and trainees in our facilities. *The Employer Branding* activities were reborn, and we were able to reach important audiences, especially in countries where the BA brand in the labor market is not so well known.

Dual Learning, which combines theoretical learning with the practice of a real profession, continued to be developed in Spain and Poland, and for the first time we were able to reach similar agreements with Romanian technical schools, creating new academic programs, and building the foundations for knowledge improvement.

Futura program 2nd edition started in Iberia and Romania, attracting young engineers who want to start a career in a growing company with the possibility of international challenges.

The Annual Management Meeting, which took place in September, allowed us, once more, to align and focus our teams on the most important messages. This year was a hybrid format between virtual sessions and local group interaction spread across all our geographies. Under the motto *“it's time!”*, the event was a call to action, for the participants to take the lead in the changes that need to be made in the way we work. Changes are happening more and more quickly: humankind is being threatened by rapid climate change, new health concerns, and the rise of extremist ideas. Businesses are now global, where competition goes beyond frontiers, and where economic assumptions may be different. Innovations are emerging constantly, and technological improvements are being exponentially applied. All these changes are creating an urgency to change the way we work. But, more than technology, human behaviors are the key to doing things differently. More than just accepting the change, people should enjoy being part of building this new world. And to lead consumers' choices, glass cannot afford to miss the opportunity of being carbon neutral and dictating consumer demand. During the event, 200 people debated all those concerns and opportunities and they left the session inspired to do better!

2021 was the year of records in Safety. Despite COVID-19 constraints and very high absenteeism mainly due to quarantines, the plants continued to operate normally, and all the safety measures remained in place. The *BA Safety Way* model continued to be implemented at full speed and the results were clear!

We beat the record of the lowest number of accidents ever (17)! However, one single accident is still too much and each day we continue to pursue the challenge of achieving *zero accidents*. Several plants have already achieved it and the goal is becoming a reality as each day passes. Empowerment programs for safety supervisors, safety talks, safety walks, near miss program, implementation of new controlling tools and other programs took place during the year. Special attention was given to continue improving the safety of “moving machines, in investments projects, the IS machines' operation, the working at height and fire prevention”, and several people from different departments were involved in it.

The Safety Committee and the Executive Board continued to follow closely all the actions and the outcomes, ensuring that Safety is the first priority inside BA.

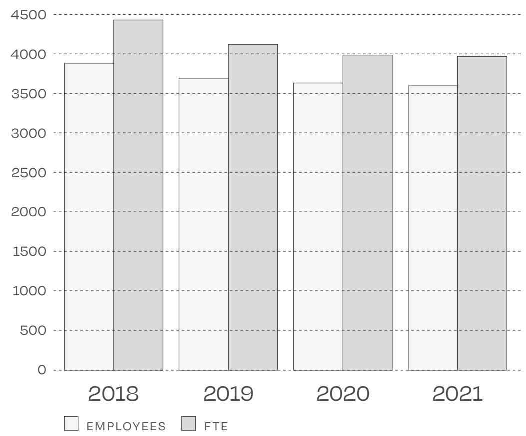
Adjustment to the new ways of developing and training people, including online training, enabled us to increase the number of training hours, almost doubling the 2020 volume and surpassing the 2019 results. The *TWI (Training Within Industry)* and the BA Academy returned to work in full mode and delivered several programs that were suspended in 2019 due to the COVID restrictions. Programs such as “BAMDP – Managers Development Program”, “Growing leaders”, “Train the trainers”, “Leadership toolbox” and many others took place in person every time conditions allowed it to, but also in blended and online mode, with the programs completely adapted to the new reality. In 2021 a special edition of "Problem-solving training" took place with all white collars of the company to "give rebirth" to a new way of looking at the problems and to do it right first time.

Of all the BA Academy schools, special acclaim for 2021 goes to the new school, the Digitalization School, which provided several different programs, from basic concepts which everyone should learn for their daily work, to complex programs which allow the development of advanced skills for all who were willing and needed to enter into new dimensions of digitalization. All the programs were supported by a new digital platform allowing people to customize their development journey.

BA believes it has a role to play in developing communities through education, and BA Glass Seeds had a full year of activities! Besides the previous commitment with Teach for Portugal, 42 Lisbon School, or other Iberian organizations and schools, BA has reinforced its presence in other regions, supporting the Teach for Romania and sponsoring the digitalization of schools in Central Europe. Furthermore, the Eco glass project has started to build educational material that schools can use to promote sustainable behaviors in the younger generations.

The year ended with 3990 Full-Time Equivalent employees, similar to the 2020 number, but with a different distribution. Some employees left the company due to process optimization and automation, and many others were hired to build new teams and add new skills to the existing teams.

NUMBER OF EMPLOYEES



Results

In compliance with European Commission Regulation 1606/2002 of the European Parliament, with the Council dated 19 July 2002, and European Commission Regulation 1725/2003 dated 29 September 2003, BA Glass has been preparing its consolidated financial statements since 2005 in conformity with the International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

Sales increased 9.2% compared with last year to a record value of EUR 1,016 million. Despite this significant increase, cost inflation, particularly the surge in energy prices, severely hit our EBITDA, that decreased EUR 79 million, when compared with 2020, reaching EUR 249 million to a 24.5% EBITDA to sales margin (10.8 p.p. below 2020). The direct effect of energy price growth in the decrease of the yearly EBITDA reached 145.4 million euros and the indirect effects hit almost all production and transport costs.

The cost of goods sold increased 52.6% compared with last year, with energy prices accounting for almost all negative deviation. Other expenses increased 8.6% compared with last year, mainly the freight costs impacted by the sales volume growth and some very expensive destinations.

The many operational records and improved productivity at our plants as well as the numerous cost saving actions implemented, were far from sufficient to overcome the tremendous negative energy effect.

The gross margin was heavily reduced, by 13.2 p.p. against the previous year.

At the beginning of the year, the shareholders decided to attribute a special bonus of EUR 8.2 million to our employees (EUR 8.5 million in 2020), as recognition of their contribution to the company's value creation in the last couple of years with the successful integration of the companies acquired.

Hence,

EBITDA amounted to EUR 248.7 million, EUR 79.4 million lower when compared to the previous year. The EBITDA margin was 24.5%, decreasing 10.8 p.p. when compared to the previous year.

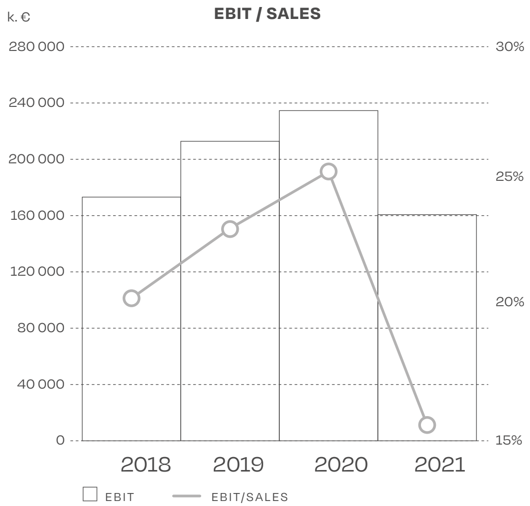
Operating profit (EBIT) amounted to EUR 159.4 million, equivalent to 15.7% of sales, EUR 76.7 million and 9.7 p.p. lower than in 2020.

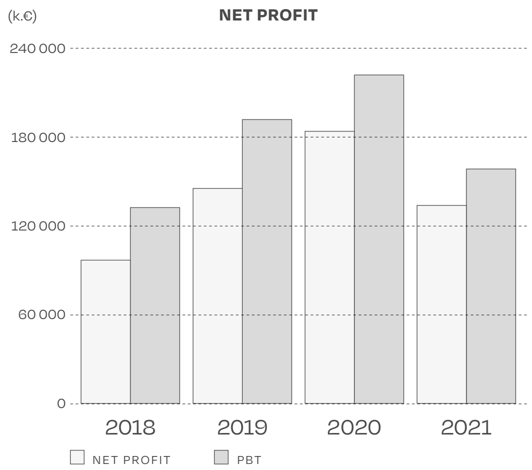
Net tangible assets turnover[1] was 1.70, 6.9% higher than in 2020 (1.59), and reflective of the sales increase in 2021.

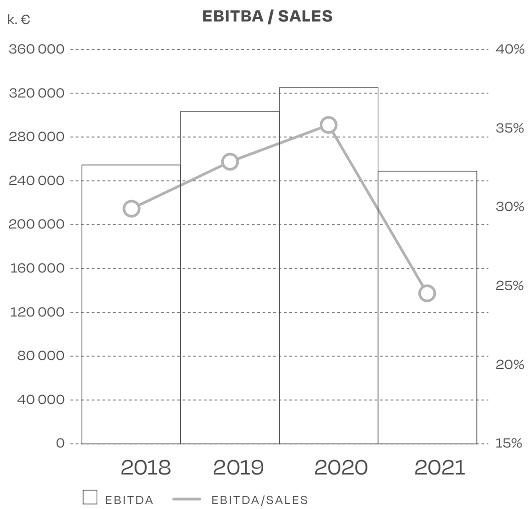
The financial results amounted to a loss of EUR 8.1 million (compared to a loss of EUR 15.5 million last year). The improvement was mainly related to exchange rate differences. The share of profit of an associate amounted to EUR 6.8 million and was generated by the positive accounting impact of the divestment the group has made of the 25% stake in an asset in the US.

Profit before taxes amounted to EUR 158.1 million, 28.6% lower than in the previous

1 Net tangible assets turnover = Turnover / Net tangible assets







year (2020: EUR 221.5 million), and the net profit totaled EUR 133.5 million, 27.2% lower than in the previous year (2020: EUR 183.5 million).

Financial Analysis

At the end of 2021, the consolidated net assets were at EUR 1,521 million (2019: EUR 1,532 million).

Working capital at the end of the year reached 2.1% of sales, EUR 114.2 million lower than the previous year with the energy price surge impacting Trade Payables.

Total liabilities were EUR 907 million, EUR 91.6 million more than in the previous year, and the Company's net debt[2] amounted to EUR 389.5 million (2020: EUR 401.2 million).

The leverage ratio[3] ended the year with a value of 1.57 (2020: 1.22) and the Company's equity reached 40.4% (2020: 46.8%) of total assets. It is important to highlight a net debt reduction of EUR 12 million in a year with a EUR 230 million dividend, demonstrating the cash conversion ability and financial robustness of the Company, and its readiness to continue growing.

Certifications and associations

The Company management systems are certified according to international standards for Quality, Food Safety, Environment, Social Accountability, Health & Safety, and Energy.

Concerning management systems, all plants are certified according to ISO 9001 – *Quality Management Systems*, and FSSC 22000 – *Food Safety System*. All plants, with exception of Athens and Gardelegen that were being prepared to get the certification in 2022. Gardelegen plant is certified according to ISO 50001 – *Energy Management Systems*. Regarding social concerns and labor conditions, Iberian plants are certified according to SA 8000 - Social Accountability. Polish, Romanian, and Bulgarian plants are certified according to ISO45001 - Occupational Health and Safety Management Systems.

We believe that the adoption of international standards brings added value to the improvement of company procedures and practices, and that certification is a guarantee of consistency and best practice, which will benefit customers and the whole value chain.

The Company and its subsidiaries are members of the following associations: AIVE – *Associação dos Industriais de Vidro de Embalagem*, ANFEVI – *Asociación Nacional de Empresas de Fabricación Automática de Envases de Vidrio*, PIO – *Polish Glass Manufacturers Federation*, BV Glas, FEVE – *Fédération Européenne du Verre d'Embalage*, and the *Food Packaging Forum Foundation* – Switzerland. BA Glass continues to be an active member of these associations, placing a particular emphasis on promoting glass as a sustainable and healthy packaging material, and on monitoring national and community legislative initiatives. The recycling of glass is the focus of all associations, reinforced by the need to deliver packaging with more recycled content.

2 Net Debt = Interest-bearing loans and borrowings – Cash and Short term Deposits

3 Leverage ratio = Net Debt / EBITDA

Acknowledgments

The Board of Directors wishes to thank, firstly, all the employees of the company who, with their hard work, creativity, enthusiasm, dedication, and commitment have enabled us to grow the business, to create value for our customers and shareholders, and who were part of the 2021 accomplishments. When we look back at the accomplishments of the year, with a record sales increase, record KPIs in most of the plants, and several process improvements, we see the magnitude of the accomplishments that couldn't have been realized without their dedication.

We also want to extend our utmost gratitude to our customers, for their preference and trust in such a challenging environment, and for their quality-related demands, which have been the critical drivers in BA's quest for excellence and differentiation. They continue to be the ones who make us strive for more growth and investment.

And to our suppliers, who at no time failed in their commitment and service, allowing us to continue our operations and the development of many projects we had in hand.

To the central, regional, and local authorities of the Netherlands, Portugal, Spain, Poland, Germany, Bulgaria, Romania, and Greece, we acknowledge their support to our activities and projects.

We have also counted on the cooperation of banks and other financial institutions with whom the company has worked during the year, and who have been supporting our ambitions and projects. Without them, we cannot continue to invest and grow.

Our appreciation is also due to the Auditors and to the Audit Committee of the holding and its subsidiaries for their ongoing collaboration and constructive dialogue in monitoring, examining, and challenging the companies' financial statements and processes, and also our risk management practices.

A final word to all the consumers who, again and again, put glass as their favorite packaging material for the food and beverages provided to their families and friends, choosing glass as a sustainable and healthy option.

Business Risks

The use of a risk assessment methodology allows the identification of exogenous and endogenous factors that can have a very significant influence on BA Glass profitability, being an integrant part of its management process and sustainable development. By analysing the critical points, potential situations of value destruction or creation can be identified, leading to decisions and actions to avoid, mitigate or even leverage the business risks.

These risks and how to deal with them are described in management procedures, emphasizing the procedure of "Crisis Management", where the rules and responsibilities of communication in case of exceptional events are specified. All the established procedures and management practices are regularly reviewed and optimized, with the collaboration of all areas involved in order to ensure the continuous improvement of processes and reduction of potential risks and/or their impact on the group business and sustainability.

KEY ELEMENTS OF OUR RISK MANAGEMENT FRAMEWORK

Our risk management framework defines the Board of Directors, the Audit Committee (BAFC) and the Executive Board as the entities that coordinate all risk management in BA Glass.

The Board of Directors has the Overall responsibility for risk management, including risk appetite and oversight for the risk assessment and mitigation strategy, BAFC oversights the risk framework and internal control assurance on behalf of the Board and the Executive Board has overall accountability for the management of risks.

Principal risks are discussed and agreed by Executive Board and the BAFC and are cascaded to the business units (top-down) who manage and report on the principal risks and any additional significant business unit risks. Business units also escalate risks as appropriate (bottom-up) to the Executive Board. The principal risks are discussed and evaluated through regular meetings with senior management. The risk assessment process relies on our evaluation of the risk likelihood and impact, and on the development and monitoring of appropriate internal controls. We maintain risk registers detailing the risks we face, and this is an important component of how we manage our risks.

Risk appetite can be defined as the extent to which deviations are deemed acceptable in achieving goals. BA Group risk appetite has been set by the Board for each of our strategic goals. In terms of the level of risk that we are willing to accept in relation to our strategic goals, we differentiate between the following categories: risk averse (low risk appetite), risk neutral (moderate risk appetite) and risk-taking (high risk appetite).

Based on these principles and methodologies the following risks were identified, evaluated and mitigated:

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
COVID-19	COVID-19	COVID-19 pandemic outbreak and measures to prevent its spread may impact our business in several ways, as global economy will suffer a severe impact, most possibly impacting consumer demand and consequently the products we manufacture. It may also adversely affect our ability to operate our business, including potential disruptions on our supply chain and workforce. Also, liquidity and cost of borrowing may also be affected. The significance of the impact of these disruptions on our financial and operational results, will depend on the length of the duration of the COVID-19 pandemic, of the severity of the variants and of the impact of governmental regulations that might be imposed in response to the pandemic.	Being integrated in the food and beverage industry (considered as essential for the economic activity of the countries we work) may relieve some of the constrains related with COVID-19 governmental measures. The safety and wellbeing of our colleagues and customers has been and continues to be our overriding priority. The Executive Board is monitoring events closely with regular Board oversight evaluating the impacts and designing appropriate response strategies. The availability of cash resources and committed facilities together with strong cash flow, support BA Glass's liquidity and longer-term viability. Our teams are working tirelessly to implement specific actions to adjust our production reality in these challenging times. Our business continuity and crisis management plans have been mobilized in all plants and head-offices and additional measures have been implemented including change of lines (with the necessary investments), securing additional supply chain capacity to meet changes in demand, implementing changes to normal functioning (including hours, additional security, hygiene, and social distancing measures), and extending support to colleagues and customers at increased risk. (Moderate)
CUSTOMERS	CUSTOMER HABIT RISK	A significant change in the preferences of the final consumer may lead, ultimately, to the disappearance of brands in the market, for which the group produces glass containers. Events of customer concentration could also have a significant impact on the group, in terms of business volume and profits.	BA Glass strives to diversify its customer and market portfolio. In 2021, the 30 largest customers accounted for 50% of the total sales, and levels of concentration in any given customer below what could represent a high risk for the continuity of the business. A significant share of these largest customers is multinational companies with presence / operations in several countries which mitigates the impact of specific changes on consumption habits. (Moderate)

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
MARKETS	GLASS PACKAGING INDUSTRY EVOLUTION	The group's business depends intrinsically on the level of consumption of glass packaging in the markets, the level of confidence of economic players in that market and on the products' life cycle. The constant and growing innovation and development of new solutions/alternatives to the glass packaging is also a factor that can add uncertainty to the customers and markets where the group operates.	BA Group customers include some of the world's well-known companies in the segments of Wine, Spirits, Food, Beer and Soft drinks, with an important reputation in their local markets and across borders. The group's exposure to this risk is naturally mitigated by its diversified presence in several customers, segments and products. Additionally, its geographical diversification minimizes the potential impact that an unfavorable evolution of a given market could bring. The glass packaging industry has proved to have a significant resilience to the macro-economic cycles and, in some segments, has been experiencing a slight growth even in periods of economic recession. (Moderate)
	RISK RELATED TO THE COMPETITION	The main competitors of the group are: Owens-Illinois, Verallia, Vidrala, Ardagh, among others with small presence in the market. The group faces significant competition from those glass container producers, as well as from the makers of alternative forms of packaging, such as aluminum cans, plastic containers and cardboard packaging. Competition is based mainly on price, innovation, quality, delivery and customer service as a whole. Decisions from competitors could result in excessive capacity in certain countries, leading to significant price pressure in the packaging market, and consequently a strong impact on profitability.	Innovation and product development represent the two major challenges for the group, and the strong focus on those aspects is what enables it to remain competitive. In 2021, BA Group developed 125 new products and launched 23 new products in the market. On a continuous effort to maintain the technology of its operations at the industry's forefront, in order to answer and even anticipate the market needs, the group regularly makes investments on refurbishments and on its operating structure, that are significantly above the industry average, aiming for a superior quality and flexibility levels. The rising international exposure that the Group has been pursuing also aims to seek for new markets, diluting the competitive pressure in some of the markets where BA Glass operates. (Moderate)

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
SUPPLY	RISKS RELATED WITH SUPPLIERS	Should some of the group's main suppliers of raw materials declare bankruptcy, or experience lack of capacity to respond to the group's needs, or have quality problems, or any other incident disrupting its business, BA's operations could be significantly impacted, leading to additional costs or even impossibility to manufacture.	The group has built a large base of suppliers in different countries for its raw materials, materials for production support and other equipment. The 20 biggest suppliers together accounted for 39% of the total consolidated purchases in 2021. Additionally, BA Glass closely monitors the quality and reliability of the products from its suppliers as well as their operations in order to guarantee that the value chain is assured and anticipate any potential disruption. (Moderate)
	RISKS RELATED TO ENERGY PRICES AND POWER CUTS	Risks related to energy prices and power cuts - The natural gas and electricity supply are vital for the operational activity of BA Glass. These sources of energy represent, on average, 18% of the total costs of the group. A substantial increase of the energy price could boost the operational costs of the group, with a strong negative impact on its profitability. On the other hand, the slight possibility of experiencing a power cut for longer than 24 hours could lead to a total disablement to manufacture in the affected plants.	Risks related to energy prices and power cuts - The natural gas contracts have an underlying formula that allows the adjustment of price in accordance to the variation of parameters which influence the gas price in the international markets (the exchange rate EUR/USD and the price of the brent as well as the Dutch TTF gas prices index). The Group has as a policy to carry out risk coverage contracts', regarding energy price variations, thus the group is exposed to positive or negative variations of the market on the non-hedged portion of the energy,. however, part of the energy price variation is reflected on the sales price, sometimes with a time delay. The group has contracted with its suppliers, in the different countries of its plants, energy supply assured uninterruptedly. Additionally, contingency plans are in place to ensure the functioning of the production units for a certain period of time, until the power is supplied again. It is not expected shortage of supply in Europe and the group reviews regularly with its energy suppliers the contingency plans in case a shortage of supply may occur. (Moderate)

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
OPERATIONS	RISKS RELATED TO OPERATIONAL STOPPAGE	The glass packaging manufacturing process is significantly capital-intensive and implies a permanent use of the furnaces and specific equipment for that purpose. A stoppage of a furnace in order to perform a non-planned or extraordinary repair work impacts significantly the operational results of the group, due to both the repairing costs and the resulting production losses.	There is a detailed investment and repair plan for each furnace, which is periodically reviewed by an internal technical team, based on periodical inspections of the furnaces. A set of preventive and corrective measures, intended to lengthen the life of the furnaces and prevent extraordinary events, are included in their normal operation. The group has contracted an all-risks policy which assures compensation for lost earnings, in case of accident. (Moderate)
	RISKS RELATED WITH INORGANIC GROWTH	As part of its growth strategy, the group made, and envisages in the future, acquisitions of other companies, entailing risks such as: • inaccuracy of business plans and consequent companies' valuation based on assumptions which may prove incorrect, especially in respect to future synergies and forecasts of the market evolution; • failure in integrating the acquired companies, their employees and technologies; • inability to retain some key employees, customers or suppliers of the acquired companies; • the group may be forced to keep contractual relationships with costly and/or unfavorable conditions; • the increase of the group's debt to finance these acquisitions or refinance the debt of the acquired companies.	All acquisition projects are analyzed within several scenarios, including the most pessimistic ones, to evaluate their impact on the target companies and establish realistic boundaries for their valuation. Strategies are designed to overcome those worst-case scenarios from the beginning of the acquisition in a way that all necessary measures will be taken to minimize the impact of such events. On an annual basis, the real development is tracked against the original business plan to validate the strategy initially defined at the moment of acquisition, evaluate the need for adjustments and learn for future acquisitions. The Mergers & Acquisitions team is closely involved in the group's operations, to have a more thorough knowledge of the business and take into account all the relevant variables when analyzing new acquisition opportunities. (Moderate)
ENVIRONMENT	ESG RELATED RISKS	Environmental, Social and Governance risks include those related to climate change impacts mitigation and adaptation, environmental management practices and duty of care, working and safety condition, respect for human rights, anti-bribery and corruption practices, compliance to relevant laws and regulations, among other and might have a significant impact in the business. Our strategy to address these kinds of risks could be ineffective and damage BA Glass's and our customer's reputation, causing business losses, undervaluation, and difficulty attracting long-term investors.	Environmental sustainability is one of our key priorities and in 2021 we gave very significant steps towards beeing Carbon Neutral, improving significantly our results. In the beginning of the year, we joined the Science Based Targets, for a publicly commitment with these targets. (Moderate)
SOCIAL	HEALTH AND SAFETY RISKS	Failure to meet safety standards in relation to our workplace, results in death or injury to our customers, colleagues or third parties and leads to adverse financial and reputational consequences. Group-wide injury statistics continue to improve alongside identifying continuous improvement opportunities to further embed controls.	BA Glass has established a 'Safety Hub' program in all plants as a key tool to promote the employee's good behavior at all levels, and Health and Safety as a priority in the whole Group. A safety Committee was also created, with monthly meetings and with direct Executive Board involvement to assure the spread of the good practices and the proper focus of the entire internal and external entities. (Moderate)

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
PEOPLE	RISK OF LOSING TALENTS	Failure to attract, retain and develop the required capability and continue to evolve our culture results in an impact on the delivery of our purpose and strategic drivers.	Our talent planning and people development processes are established across the Group. Talent and succession planning are regularly discussed by management and the Executive Committee with regular oversight by the Board Nomination and Remuneration Committee. We have clear potential and performance criteria and talent principles which are underpinned by our employer value proposition and strategy. The Remuneration Committee agrees objectives and remuneration arrangements for senior management. (Moderate)
TECHNOLOGY	RISK OF TECHNOLOGICAL FAILURE	Failure of our IT infrastructure or key IT systems results in a loss of information, inability to operate effectively, financial or regulatory penalties, and negative impacts on our reputation. Further, failure to build resilience at the time of investing in and implementing new technology, results in potential loss of operating capability.	Every year we continue to enhance our technology infrastructure and resilience capabilities. This involves significant investment in our hosting strategy, partnering with cloud providers and re-engineering some of our legacy systems, while building redundancy for key business systems. Our technology security area continues to enhance information security capabilities thereby strengthening our infrastructure and information technology general controls. (Moderate)
CYBERSECURITY	RISK OF CYBERATTACKS	Risk of an external event such as terrorism, crime, violence, vandalism, theft, or cyber-attack, which would impact employees, sites, assets, critical information, intellectual property, or stop the normal flow of business, with negative financial, service, or reputational consequences.	BA Glass has well defined procedures to protecting sites, information, and people, complemented with outsourced monitoring and frequent safety tests. A Group Security Manager coordinates all security activities globally in order to ensure efficient security risk mitigation. Additionally, there is a monthly follow up of all Cybersecurity themes by a Cybersecurity Commitee, chaired by the CEO, and with the participation of the CFO, CTO and CPO, which aims to run a continuous security threat monitoring program and an optimized security program for the Group. (Moderate)

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
FINANCE	CUSTOMER CREDIT RISK	Given the worldwide economic context, the group cannot rule out the possibility of having one or more customers disabled to honor certain contracts due to financial distress.	The management of credit risk related to customers and other receivables is carried out in such a manner that minimizes the risk of non-receivables in the customers' portfolio. BA Glass has access to an international database of credit risk analysis which is used to define its credit policy and for further monitoring of possible changes in the risk of non-receivables from its customers. This information is complemented with the assessment of the customers' account managers. The non-recourse factoring is a tool that the group can use to anticipate receivables and eliminate their risk. The group does not use credit insurance for managing the credit of its customers on a recurrent basis, because BA Glass customer portfolio presents a very low probability of bad debt. In situations of higher risk, namely in the exports, BA Glass uses export letters of credit. The customer credit management policy has shown effectiveness in its results. In the last five years the bad debts represented less than 0.08% of the group's consolidated sales. (Moderate)
	INTEREST RATE RISK	The group is exposed to the risk of changes in market interest rates due to the existence of assets and liabilities negotiated with fixed or floating interest rates.	As a standard rule, the group does not use hedging of interest rate risks as the management controls closely the leverage of the group by following closely the level of Net debt / EBITDA keeping it on levels considered to be conservative, as well as the level of EBITDA / Interests guaranteeing those do not reach values that can imply risks to the financial stability of the group. Keeping these two indicators under strict control and under certain limits significantly lowers the risk to interest rate fluctuations. (Moderate)
	FOREIGN EXCHANGE RISK	The group is exposed to exchange rate risks due to its share of sales and purchases in currencies different from the Euro. The changes that occur in the exchange rates can have an impact in the group in terms of direct competitiveness of the subsidiaries in their markets as well as in the Group balance sheet by the consolidation of subsidiaries with currency different than euro.	The group's activities performed in currencies other than euro account for a small percentage of the total activity and almost all those transactions allow to have natural hedging of cash flows between currencies. Sales other than Euro (in the subsidiaries) are of 18% of total revenues and purchases account for 28% of total purchases (23% of total revenues). In Bulgaria, the stability of the exchange rate is very high, which decreases the impact on the Group balance sheet by the consolidation of the companies based in this country. (Low)
	LIQUIDITY RISK	In order to finance its own investments and operational activity, BA Glass has to contract debt with financial institutions.	The group's profitability has enabled it to continuously ensure healthy equity/debt ratios, ensuring that the cash-flows generated by the business enable the regular repayment of its debt to keep it at safe levels. BA Group works with the largest banks in the local markets where it operates, in order to create local relationships. There is a wide diversification of its debt portfolio, to avoid an excessive dependency on any specific financial institution. The group always keeps partially unused overdraft lines in order to face the constraints that could arise from an unforeseen event. (Low)

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
POLITICAL, REGULATORY AND COMPLIANCE	RISKS RELATED TO THE INTERNATIONALITY OF THE BUSINESS	The internationalization of the group forces it to be exposed to the economic, political, fiscal, legal and environmental risks of several countries.	The group relies on the expertise of its financial, tax, legal and labor teams which permanently analyze, monitor and anticipate changes in the legislation and labor subjects of the several countries where the group operates, using external specialized support to overcome more complex matters, whenever is needed. The group's exports are generated mostly in markets of the European Union, concentrated in countries where the company has already large experience in how to operate and with customers with good risk profile. (Low)
	LEGAL RISKS RELATED TO DISPUTES	There are no arbitration, judicial or governmental proceedings that may have a meaningful impact on the accounts and present a risk.	All disputes are periodically analyzed by the group's legal department. When necessary, and in accordance with the international accounting standards, provisions are created to surpass potential risks which may arise from disputes. At the date of this report, there are no outstanding cases which could have a meaningful impact on the equity and financial structures of the group. (Low)
	PROPERTY, INDUSTRIAL AND ENVIRONMENTAL RISKS	The group's properties, plants and equipment are exposed to various risks: fire, explosion, natural disasters, system failures, pollution, non-compliance with the legal limits of emissions, among other factors.	Periodic audits to the safety systems against fire and intrusion and even to the control systems at the plants are performed. With the objective of minimizing this risk, there are several simulations that BA Glass performs on a regular basis to test the emergency plans in the case of fire, unanticipated power cut and even glass leakage. BA Group regards environmental considerations as an integrant part of its overall management, having implemented an Environmental Management System, certified according to ISO 14001 (with the exception of Gardelegen and Athens plants). Gardelegen plant in Germany is certified by ISO 50001 - Energy Management Systems. Requirements with guidance for use. On a daily basis, all plants of the group are focused on the minimization of the environmental impact of its activities (reduction of the air and noise pollution) and on the promotion of a rational use of the resources, by setting, annually, actions aiming to increase the glass recycling, rationalization of water consumption, energy and raw materials and the weight reduction of the containers produced. It is imperative to highlight that all assets of the group have insurances guaranteed by well-known insurance companies in the market, offering a guarantee of solvability in case of accident. On a regular basis, BA Glass performs, together with the insurance companies, audits to the risks in order to execute improvement plans and reduction of property risk. Adding to this, BA Glass also has insurances that guarantee the compensation in the case of business interruption, in order to minimize the impact of possible accidents. (Moderate)
	RISKS RELATED WITH ENVIRONMENTAL LAWS AND REGULATIONS	Our operations are subject to extensive laws, regulations and other legal requirements concerning to environmental protection, namely about waste disposal, materials recycling, air emission limits, container reusage, among others. Such laws and regulations are also subject to constant review, and might impact our market, supplies, production and investments.	The Group has created, in the different areas of influence, the necessary procedures to be updated on all environmental laws and regulations, by a permanent and systematic consultation of all changes in all relevant countries. Also, the connection and permanent communication with customers, suppliers, consultants, and associations in the glass area provide the cross check and assurance that we have the relevant updates. (Moderate)
	INDUSTRIAL INTELLECTUAL PROPERTY RISK		The group possesses all the necessary licenses for the use of all the technology and equipment needed in order to carry out its activity. (Low)

There are no changes in the financing policy of the group foreseen for the future and no material changes in the number of FTE that will guarantee the normal level of business.

The current scenario of conflict between Russia and Ukraine has generated an increase of the volatility in energy prices which may have an impact on the cost basis of the group and will ultimately lead to a sales price increase in order to guarantee the group operates with adequate levels of profitability.

On the 24th of February 2022 an event took place that can have an impact on the operations of the Group. The war in Ukraine brings more volatility and uncertainty to the markets. BA has no direct exposure to those markets and indirect exposure via exports of our customers is also considered very residual. The main impact can be related with the increased volatility in energy prices which has shown a significant increase after the conflict emerged. According to the last information the group has from its energy and raw materials suppliers there is not expected a shortage of supply.

Consolidated Statement of Financial Position

(AMOUNTS EXPRESSED IN EUROS)

Assets	Notes	Dec. 31, 2021	Dec. 31, 2020
Non current assets			
Goodwill	11	402 489 333	403 264 306
Intangible assets	12	23 028 073	23 601 308
Property, plant and equipment	13	598 771 132	586 274 947
Investment in an associate	9	-	4 803 356
Other financial investments	15	5 500 746	3 490 941
Investment properties	14	960 266	1 017 638
Deferred tax assets	33	14 609 078	13 130 986
		1 045 358 628	1 035 583 482
Current assets			
Inventories	16	137 567 525	125 722 314
Trade receivables	17	153 676 300	154 386 816
Income tax	33	21 252 860	10 809 240
Other current debtors	18	32 920 029	27 413 650
Other current assets	19	2 016 838	1 444 676
Cash and short term deposits	20	128 297 699	176 988 017
		475 731 251	496 764 713
Total assets		1 521 089 879	1 532 348 195

Equity and liabilities	Notes	Dec. 31, 2021	Dec. 31, 2020
Issued capital	21	36 000	36 000
Other capital reserves		51 375 301	51 294 921
Retained earnings		460 691 083	507 173 518
Other components of equity		(31 531 133)	(25 036 443)
Profit for the year		133 543 626	183 517 564
Equity attributable to owners of the parent		**614 114 880**	**716 985 563**
Total equity		**614 114 880**	**716 985 563**
Non-current liabilities			
Interest-bearing loans and borrowings	22	435 338 254	466 213 044
Provisions	23	3 874 694	4 576 724
Government grants	27	3 449 412	6 544 203
Deferred tax liabilities	33	20 826 041	21 603 726
		463 488 401	498 937 697
Current liabilities			
Interest-bearing loans and borrowings	22	82 449 339	111 966 337
Trade payables	24	269 424 793	143 993 679
Income tax payable	33	8 688 820	6 073 538
Other payables	25	54 578 512	31 688 757
Government grants	27	3 110 411	2 343 687
Other current liabilities	26	25 234 725	20 358 936
		443 486 599	**316 424 935**
Total liabilities		**906 975 000**	**815 362 631**
Total equity and liabilities		**1 521 089 879**	**1 532 348 195**

Consolidated Statement of Profit or Loss

(AMOUNTS EXPRESSED IN EUROS)

	Notes	Dec. 31, 2021	Dec. 31, 2020
Continuing operations			
Revenue			
Revenue from contracts with customers	28	1 016 298 023	930 718 223
Changes in stocks of finished goods		9 842 773	3 447 957
Other operating income	29	8 830 349	6 777 225
		1 034 971 145	**940 943 405**
Operating expenses			
Raw materials and consumables used		489 113 004	324 292 644
Supplies and external services		170 969 336	157 493 215
Employee benefits expense	36	120 304 938	124 858 662
Depreciation and amortisation		89 198 323	90 405 489
Impairment	31	114 532	1 542 194
Other operating expenses	30	5 881 483	6 240 414
		875 581 617	**704 832 617**
OPERATIONAL CASH FLOW (EBITDA*)		**248 702 383**	**328 058 471**
Operating income (EBIT)		**159 389 528**	**236 110 788**
Financial result	32	(8 094 240)	(15 544 275)
Share of profit (loss) of an associate	9	6 802 709	941 576
Profit before tax from continuing operations		**158 097 997**	**221 508 089**
Income tax expense	33	24 554 371	37 990 525
Profit for the year from continuing operations		**133 543 626**	**183 517 564**
Discontinued operations		-	-
Profit for the year		**133 543 626**	**183 517 564**
Attributable to:			
Equity holders of the parent		133 543 626	183 517 564
Earnings per share			
Basic	**34**	**3 709,55**	**5 097,71**
Diluted	**34**	**3 709,55**	**5 097,71**

** EBITDA = EBIT + Depreciation/Amortisation + Impairment*

Consolidated Statement of Comprehensive Income

(AMOUNTS EXPRESSED IN EUROS)

	Notes	Dec. 31, 2021	Dec. 31, 2020
Profit for the year		**133 543 626**	**183 517 564**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translation of foreign operations		(1 905 981)	(12 525 311)
Net gain/(loss) on cash flow hedges	10; 33	(12 916 024)	-
Share of other comprehensive income of an associate	9	7 807 135	334 434
Others		(39 933)	(217 582)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(7 054 803)**	**(12 408 459)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Re-measurement gains (losses) on defined benefits plans		560 113	-
Put option granted to non-controlling interests		-	-
Share of other comprehensive income of an associate		-	-
Revaluation of land		80 380	645 526
Other		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**640 493**	**645 526**
Other comprehensive income for the year, net of tax		**(6 414 310)**	**(11 762 933)**
Total comprehensive income for the year, net of tax		**127 129 316**	**171 754 632**
Attributable to:			
Equity holders of the parent		127 129 316	171 754 632

Consolidated Statement of Changes in Equity

(AMOUNTS EXPRESSED IN EUROS)

		Attributable to the equity owners of the parent							
	Notes	Issued capital	Other capital reserves	Retained earnings	Foreign currency translation reserve	Other components of equity	Profit for the year	Total	Total equity
As at January,1 2020		**36 000**	**50 649 395**	**421 179 172**	**(11 035 601)**	**(1 592 383)**	**144 994 346**	**604 230 931**	**604 230 931**
Profit for the period		-	-	-	-	-	183 517 564	183 517 564	183 517 564
Other comprehensive income		-	645 526	-	(12 525 311)	116 852	-	(11 762 933)	(11 762 933)
Total comprehensive income		**-**	**645 526**	**-**	**(12 525 311)**	**116 852**	**183 517 564**	**171 754 632**	**171 754 632**
Dividends		-	-	(59 000 000)	-	-		(59 000 000)	(59 000 000)
Appropriation of prior year net profit		-	-	144 994 346	-	-	(144 994 346)	-	-
At December 31, 2020	**21**	**36 000**	**51 294 921**	**507 173 518**	**(23 560 911)**	**(1 475 531)**	**183 517 564**	**716 985 563**	**716 985 563**
As at January,1 2021		**36 000**	**51 294 921**	**507 173 518**	**(23 560 911)**	**(1 475 531)**	**183 517 564**	**716 985 563**	**716 985 563**
Profit for the period		-	-	-	-	-	133 543 626	133 543 626	133 543 626
Other comprehensive income		-	80 380	-	5 901 154	(12 395 844)	-	(6 414 310)	(6 414 310)
Total comprehensive income		**-**	**80 380**	**-**	**5 901 154**	**(12 395 844)**	**133 543 626**	**127 129 316**	**127 129 316**
Dividends		-	-	(230 000 000)	-	-		(230 000 000)	(230 000 000)
Appropriation of prior year net profit		-	-	183 517 564	-	-	(183 517 564)	-	-
At December 31, 2021	**21**	**36 000**	**51 375 301**	**460 691 083**	**(17 659 757)**	**(13 871 375)**	**133 543 626**	**614 114 880**	**614 114 880**

Consolidated Statement of Cash Flows

(AMOUNTS EXPRESSED IN EUROS)

	Notes	Dec. 31, 2021	Dec. 31, 2020
CASH FLOW STATEMENT - OPERATING ACTIVITIES			
Receipts from customers		1 120 186 883	1 039 471 540
Payments to suppliers		(636 071 737)	(565 739 321)
Payments to employees		(120 624 841)	(124 618 575)
Cash generated from operations		**363 490 305**	**349 113 644**
(Payment) / reimbursement of corporate income tax		(30 269 361)	(40 527 863)
Other proceeds / (payments) relating to the operating activity		(4 110 082)	(20 789 467)
Cash flow from operating activities (1)		**329 110 862**	**287 796 315**
CASH FLOW STATEMENT - INVESTING ACTIVITIES			
Receipts from:			
Disposal of an Associate		21 413 201	-
Fixed assets		2 701 515	226 914
Government grants		31 361	155 906
Other assets		-	111 643
		24 146 076	**494 463**
Payments related to:			
Financial Investments		-	-
Fixed assets	13	(89 782 641)	(97 383 660)
Other assets	12	(12 112 300)	(5 642 600)
		(101 894 941)	**(103 026 260)**
Cash flow from investing activities(2)		**(77 748 865)**	**(102 531 797)**

	Notes	Dec. 31, 2021	Dec. 31, 2020
CASH FLOW STATEMENT - FINANCING ACTIVITIES			
Receipts from:			
Borrowings	22	204 000 000	97 500 000
Interests received		164 339	19 946
Dividends		97	3 437
Other financing activities		280 463	29 794
		204 444 899	**97 553 176**
Payments related to:			
Borrowings	22	(264 526 069)	(146 007 505)
Interest and similar expense	32	(9 754 752)	(10 392 237)
Dividends	21	(230 000 000)	(59 000 000)
		(504 280 821)	**(215 399 743)**
Cash flow from financing activities(3)		**(299 835 922)**	**(117 846 566)**
Net cash flow variation for the year (4)=(1)+(2)+(3)		**(48 473 925)**	**67 417 951**
Net foreign exchange differences		**(216 393)**	**(1 111 257)**
Cash and its equivalents at the beginning of the period	**20**	**176 988 017**	**110 681 322**
Cash and its equivalents at the end of the period	**20**	**128 297 699**	**176 988 017**

NOTES TO THE CONSOLIDATED CASH-FLOW STATEMENT:			
Cash		51 908	57 608
Short term bank deposits		128 245 791	176 930 409
Cash and its equivalents	**20**	**128 297 699**	**176 988 017**

Notes to the Consolidated Financial Statements

1. CORPORATE INFORMATION

The consolidated financial statements of BA Glass B.V. (hereinafter the "Company") and its subsidiaries (collectively, the Group) for the year ended December 31st, 2021 were authorized for issue in accordance with a resolution of the directors on March 10th, 2022. However, the consolidated financial statements shall be subject to approval by the Shareholders in the Annual General Meeting.

The Company is a private limited liability company incorporated and domiciled in the Netherlands. The registered office is located at Basisweg 10, 1043AP Amsterdam. The objectives of the Company are to act as holding and finance company. The Company is registered at the Dutch Chamber of Commerce with file number 34310991.

The Group is a leading manufacturer of glass packaging products for the food, beer, wine, spirits and soft drinks end markets.

The Company together with its subsidiaries (the "Group") is one of the most profitable players on the glass packaging business and has operating activities in Portugal, Spain, Poland Germany, Greece, Bulgaria and Romania.

The Group operates in the glass industry, more specifically in the manufacturing of glass containers, owning three manufacturing plants in Portugal, two in Spain, two in Poland, one in Germany, one in Greece, two in Bulgaria and one in Romania, through entities BA Glass Portugal, S.A. (operating in Portugal), BA Glass Spain, S.A.U. (operating in Spain), BA Glass Poland Sp. z o.o. (operating in Poland), BA Glass Germany GmbH (operating in Germany), BA Glass Greece, S.A. (operating in Greece), BA Glass Bulgaria, S.A. (operating in Bulgaria) and BA Glass Romania, S.A. (operating in Romania).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. GOING CONCERN

Management is confident the Group is able to continue as a going concern considering the strong overall equity position, positive cash balance, positive working capital and result for the year.

There is still some uncertainty due to the Coronavirus but less than in the previous year and not expected to impact the going concern assumption.

In 2021, the market recovered better than expected. Household's savings rate was at very high level. The consumers declared their preference for glass in many of their beverage and food choices. And the inventories realized during pandemic season were quite low. All drove us to a record year of sales. With a growth of 9,2% comparing with 2021, we overcome the year above 1.000 million euros of turnover, an exciting landmark.

The year started with low, but growing, energy prices. The pandemic in 2020 impacted demand and prices, with historical minimums being reached in the Summer of 2020. The governments' reaction was strong, and demand started to recover very quickly, and, on the other side, lack of demand drove energy producers to supply restriction measures.

This trend continued until Autumn, when the low stock levels of Natural Gas in Europe, together with geopolitics tensions with Russia, and the fossil fuel and nuclear divestment started the panic in the natural gas price. TTF, the main Natural Gas index in Europe reached EUR 160 in October and EUR 180 in December, from a normal range of EUR 15 to 25.

Electricity, with the marginal pricing system implemented in Europe, raised in the same degree as Natural Gas, with electricity prices being determined by the highest production cost source, Natural Gas. From a normal range between EUR 40 to 60 electricity raised to a maximum above EUR 400.

The new energy prices reality, with high prices and extreme volatility, was the 4th quarter reality, reaching its peak in December. Futures show a price normalization in

2023, but with such a high disruption we cannot foresee if it will be sooner or later than that. To face this new reality BA Glass changed its hedging policy, taking opportunities to decrease volatility and risks in the short and medium term.

The EBITDA was positive in EUR 248.7 million, EUR 79.4 million lower when compared to the previous year. The EBITDA margin was 24.5%, decreasing 10.9 p.p. when compared to the previous year.

The Group has liquidity available to face possible negative movements in the financial markets. Debt is followed with strict control and some indicators are measured and controlled to guarantee a solid and safe financial structure. The main indicator considered as a key control to guarantee financial stability is net debt / EBITDA which the Board follows strictly to ensure it is not above 4.0x. the group is in compliance with all the covenants with significant headroom.

2.2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the EU.

The consolidated financial statements have been prepared on a historical cost basis, except for land, net CO2 liabilities related derivatives and energy related derivatives that have been measured at fair value.

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements are presented in euros.

2.3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries over which it exercises decisive control as at December 31st, 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed and included in suppliers and external services.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A CGU is defined as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Group of assets.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Investment in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. When there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in associates.

The financial statements of the associate are prepared in the different reporting period of the Group, as mentioned in Note 8. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit (loss) of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

c) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. An analysis of the classification of non-financial assets and further details are provided in note 13.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. No transfers have occurred during the period.

An analysis of the classification of financial instruments and further details as to how they are measured are provided in note 10.

e) Revenue from contracts with customers

The Group is in the business of manufacturing and selling glass containers and glass products. Revenue is recognized when control of the products has transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is acting as a principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Sale of glass products

Revenue from sale of glass products is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods and depending on incoterms agreed.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of glass products, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Some contracts with customers provide a volume rebate based on aggregated sales over a 12 months period.

The volume rebates give rise to variable consideration.

- Volume Rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

f) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Board of directors periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

h) Foreign currencies

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

- **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

- **Group companies**

On consolidation the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Applied exchange rates

The EUR exchange rates applied for the most significant currencies when preparing the consolidated financial statements are presented below.

	Closing rate		Average rate	
	2021	2020	2021	2020
Polish Zloty (PLN)	4,599	4,615	4,616	4,479
New Romanian leu	4,949	4,868	4,949	4,870
Lev (Bulgaria)	1,956	1,956	1,956	1,956
American Dollar (USD)	1,133	1,171	1,183	1,121

i) Cash dividend

The Group recognizes a liability to pay a dividend when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws of the Company, a distribution is authorized when it is approved by the board of directors and the shareholders of the Company. A corresponding amount is recognized directly in equity.

j) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long- term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land is measured at fair value less accumulated impairment losses recognized after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount (usually, every 5 years a valuation is carried out). A revaluation surplus is credited to the assets revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Useful life
Buildings and other constructions	20–50
Property, plant and equipment - production equipment	7–9
Property, plant and equipment - others	3–20
Transport equipment	4–12
Tools	3–15
Administrative equipment	3–15
Packaging	3–7
Other tangible assets	3–15

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate. It is assumed that the residual value is nil; hence the amount to be depreciated, over which the depreciation is calculated, coincides with the cost.

The property, plant and equipment is also subject to impairment. Refer to the accounting policies in section (r) Impairment of non-financial-assets.

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

GROUP AS A LESSEE

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings – 2 to 5 years
- Plant and machinery – 3 to 5 years
- Motor vehicles and other equipment – 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (r) Impairment of non-financial-assets.

The right-of-use assets are presented in "Property, Plant & Equipment" caption.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

GROUP AS A LESSOR

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The group does not act as a lessor in any transaction.

l) Capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Investment properties

Investment properties comprises land and buildings held for purposes of income generation or capital appreciation, or both, that are not used in the conduct of the Group's regular business.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are stated at cost.

Investment properties are derecognized either when they have been disposed (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

n) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the policies applied to the Group's intangible assets is, as follows:

	CO2 emission rights	Customer Relationship	Licences	Other intangibles
Useful Life	Indefinite	Finite (13 years)	Finite (3-5 years)	Finite (3-5 years)
Amortisation method used	No amortisation	Amortised on a straightline basis	Amortised on a straightline basis	Amortised on a straightline basis

CO2 EMISSION RIGHTS

The Group receives free emission rights as a result of the ETS (European Emission Trading Schemes). The rights are received on an annual basis and, in return, the Group is required to remit rights equal to its actual emissions. The Group has adopted the net liability approach to the emission rights granted. Therefore, a provision is recognized only when actual emissions exceed the emission rights granted and still held and is measured at fair value.

The emission costs are recognized as "Raw materials and consumables used". Where emission rights are purchased from other parties, they are recorded at cost, and treated as a reimbursement right, whereby they are matched to the emission liabilities and remeasured to fair value. Where emission rights are purchased from other parties are higher than emissions for the year, the differential are recorded as intangible assets, at cost.

CO2 allowances that the group carries on its balance sheet are described in note 12.

CUSTOMER RELATIONSHIP

The customer relationship assets were acquired as part of a business combination. They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis over their estimated useful lives (13 years).

o) Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Contracts to buy or sell a non-financial item that can be settled net in cash, as if the contract was a financial instrument, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the group's expected purchase, sale or usage requirements, are accounted for as financial instruments.

- **Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

- **Financial assets at amortized cost (debt instruments)**

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 17.

Factoring

The credits ceded to factoring institutions without recourse, i.e., the risk of default is assumed by the factoring institution, are derecognized from the balance sheet when the cash advances are received.

The credits ceded to factoring institutions with recourse, i.e., the risk of default is assumed by the Company, are not derecognized from the balance sheet and the risk of default is taken into consideration when determining impairment losses. In this case, the cash advances received are recognized as bank loans.

- **Financial assets at fair value through OCI (debt instruments)**

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group has not designated any financial assets under this category.

- **Financial assets designed at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has not designated any financial assets under this category.

- **Financial assets at fair value through profit and loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

DERECOGNITION

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party

under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and what extent it has retained the risks and rewards of the ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions: Note 4
- Financial assets: Note 8
- Trade receivables, including contract assets: Note 17, Note 28

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

- **Financial liabilities**

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments related with energy.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

- **Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statement or profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 22.

- **Trade payables**

Trade payables are initially recognized at the respective fair value and are subsequently measured at amortized cost.

Reverse Factoring

The Group has "reverse factoring" agreements with financial institutions. These agreements are not used to manage liquidity of the Group, as it remains the payment on the due date of the invoices (on that date the advances are paid to the financial institution by the Group). These agreements did not generate any financial expenses for the group. For these reasons, the amounts of invoices advanced to the suppliers, are kept in Liabilities, as "trade payables".

DERECOGNITION

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

p) Derivative financial instruments and hedge accounting

Initial recognition and measurement

The Group uses derivative financial instruments, such as forward and swap commodity contracts to hedge its commodity price risks, namely in energy and CO_2. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

q) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions: Note 4
- Goodwill and intangible assets with indefinite lives: Note 11
- Intangible assets: Note 12
- Property, plant and equipment: Note 13

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in profit or loss in expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually (as at December 31st) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at December 31st either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

r) Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw and subsidiary materials: purchase cost on an average cost basis;
- Goods for resale: purchase cost on an average cost basis;
- Finished goods and work in progress: production cost.

The cost of the inventories includes:

- Purchasing costs (purchase price, import duties, non-recoverable taxes, freight, handling and other costs directly attributable to the purchase, less any commercial discounts, rebates and other similar items);
- Production costs (cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs).

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

s) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

t) Equity items

Issued capital

All of BA Glass B.V.'s subscribed share capital is fully paid.

Retained earnings

This item relates exclusively to retained earnings available for distribution to shareholders.

u) Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

- **Provisions for pensions – defined benefit plan**

The Group has committed to grant some of the former employees to regular payments in lieu of retirement pension and supplementary pension benefits, which benefits conform to a defined benefit plan.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized net of tax in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. Past service costs are recognized immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less unrecognized past service costs.

- **Restructuring provisions**

Restructuring provisions are recognized only when the Group has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and (ii) an appropriate timeline, and the employees affected have been notified of the plan's main features.

v) Employee Benefits

- **Other employee benefits**

According to the Portuguese and Greek labor legislation in force, employees are entitled to holiday pay and subsidy in the year following the one when the service is provided. Consequently, an accrual for this amount was recognized in the profit and loss account with a counterpart in "Other current liabilities" (Note 26).

w) Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

x) Subsequent events

The Group recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements.

The Group does not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but that arose after the balance sheet date.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

3.1. New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 6
- Financial instruments risk management and policies Note 40
- Sensitivity analyses disclosures Notes 11 and 40.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of glass products include volume rebates and right of return related with returnable packaging that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of glass products that included right of return of returnable packaging, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of glass products with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have the highest risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Goodwill's impairment analysis

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and a perpetuity growth rate applied to the terminal year unlevered cash-flow, and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit (CGU) being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 11. The Group tests goodwill for impairment on an annual basis.

(b) Recognition of provisions and impairments

The Group is party to legal proceedings which are running their course on account of which it judges whether to recognize a provision or contingent liability for legal expenses based on the opinion of its legal advisors (refer to Note 23). As of 2021 we don't have any contingent liabilities related to legal proceedings recognized.

With respect to years open to tax inspections, management believes that any adjustment to the tax returns that could result from reviews carried out by the tax authorities will not have any significant impact in the financial statements.

(c) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 9 for further disclosures.

(d) Post-employment benefits

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about pension obligations are provided in Note 35.

(e) Estimating variable consideration volume rebates

The Group's expected volume rebates are analyzed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

In estimating the variable consideration for the sale of glass products with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

The Group updates its assessment of expected returns and volume rebates semi-annual are adjusted accordingly. Estimates of volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future.

As at 31 December 2021, the amount recognized as refund liabilities for the expected volume rebates was EUR 2,4 million (see Note 26).

(f) Revaluation of land

The Group carries its land at revalued amounts, with changes in fair value being recognised in OCI. The land is valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged independent valuation specialists to assess fair values every 5 years.

(g) Impairment of trade receivables and inventories

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments. (i.e., by geography). In addition to the use of the provision matrix, Board of Directors will assess individual customers that may present impairment indicators based in a default event, external public information or internal information passed by the Sales department. In those instances, a specific impairment analysis will be performed on a case-by-case basis and the allowance determined individually. In such cases the outcome that resulted from provision matrix for such customers will not be considered.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group updates its assessment of impairment of inventories quarterly. Estimates of impairment of inventories are sensitive to changes in circumstances and the Group's experience.

5. SUBSIDIARIES

The consolidated financial statements of the Group include:

Subsidiary		Head office	Dec. 31, 2021	Dec. 31, 2020
BA Glass B.V		Amsterdam (Netherlands)	Parent	Parent
BA Glass I - Serviços de Gestão e Investimentos, S.A.		Avintes (Portugal)	100%	100%
BA Glass Portugal, S.A.		Avintes (Portugal)	100%	100%
BA Glass Spain, SAU		León (Spain)	100%	100%
BA Glass Poland Sp.Z.o.o.		Poznan (Poland)	100%	100%
BA Glass Germany Gmbh		Gardelegen (Germany)	100%	100%
Moldin, S.A.		Avintes (Portugal)	100%	100%
BA Vidrio Distribución Comerc.Envases, S.A.		Mérida (Spain)	100%	100%
Minas de Valdecastillo, SAU		León (Spain)	100%	100%
Barbosa & Almeida, SGPS, S.A:		Avintes (Portugal)	100%	100%
BA Vidro II Marinha Grande, SGPS, S.A.		Avintes (Portugal)	100%	100%
Artividro - Arte em Vidro, Lda.	(1)	Leiria (Portugal)	87,5%	87,5%
BA Glass Greece , S.A.		Athens (Greece)	100%	100%
Huta Szklana Holding Sp.Z.o.o	(1)	Sieraków (Poland)	82%	82%
Glasstank, B.V.		Amsterdam (Netherlands)	100%	100%
BA Glass Romania, S.A.		Bucurest (Romania)	100%	100%
Chelianda Estates Ltd.	(3)	Limassol (Cyprus)	-	-
Land International Property S.R.L.	(2)	Limassol (Cyprus)	-	-
BA Glass Bulgaria, S.A.		Sofia (Bulgaria)	100%	100%
Iva Glass Manufacturers, Ltd.	(3)	Limassol (Cyprus)	-	-
Beluxen Enterprises, Ltd.	(4)	Limassol (Cyprus)	-	100%
Hellenic Glass Recycling, S.A.	(4)	Athens (Greece)	-	100%

(1) Companies were excluded from consolidation because they are dormant.
(2) Company was merged with BA Glass Romania, S.A. In 2020
(3) Company was dissolved in 2020
(4) Company was dissolved in 2021

These subsidiaries are fully consolidated.

Associate:

During 2021, the Group divested of the participation of 25% it held in an US entity (2020: 25%). Refer to the disclosures on note 9.

6. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and adjust in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a leverage ratio, which is 'net debt' divided by EBITDA. The Group's policy is to keep the leverage ratio below 4,0x. The Group includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits, excluding discontinued operations.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 2020.

7. BUSINESS COMBINATIONS AND ACQUISITION OF NON- CONTROLLING INTEREST

Acquisitions

No acquisitions took place in both periods.

8. MATERIAL PARTY-OWNED SUBSIDIARIES

There is no subsidiary that have material non-controlling interests.

9. INVESTMENT IN AN ASSOCIATE

The Group has divested from the 25% stake it held on a company established in the USA. The participation was being accounted under the equity method and the sale has resulted in a net gain of EUR 6.8M, as detailed in the table below. The company has considered as result of the transaction the selling price deducted by all incurred costs (either effective or potential).

	EUR amount
(A) Purchasing Price	65 051 806
(B) Losses Recognized in P&L in Prior Years	-60 248 449
(C) Reserves for translation of foreign entities in prior years (OCI)	7 807 135
(D) Carrying Amount of participation (A) + (B)	4 803 357
(E) Selling Price	19 413 201
(F) Reclassification in P&L of Reserves for translation of foreign entities (OCI)	-7 807 135
Net gain/(loss) in the financial statements (E) + (F) - (G)	6 802 709

10. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are recognized on the financial position statement when the Group becomes a contractual party to the respective financial statements.

The Group classifies its financial assets and financial liabilities in the following categories.

The financial assets and financial liabilities presented in tables below, accordingly to IFRS 13, are considered as Level 3 in fair value hierarchy, except the value of EUR 2.411.928 included in other financial assets, related with CO2 Forwards, that is considered as Level 1.

Taking into consideration each class of financial assets and financial liabilities presented in tables above, the carrying amount is considered a reasonable approximation of the fair value.

Financial assets

	Note	Financial assets at amortised cost	Financial assets at FVOCI	Financial assets at FVPL	Total
Trade receivables	17	153 676 300	-		153 676 300
Other current debtors	18	30 508 101		2 411 928	32 920 029
Other financial assets	15/19	7 517 584			7 517 584
Cash and short term deposits	20	128 297 699			128 297 699
Total December 31, 2021		**319 999 684**	**-**	**2 411 928**	**322 411 612**
Trade receivables		154 386 816	-		154 386 816
Other current debtors		26 082 850		1 330 800	27 413 650
Other financial assets		4 935 618			4 935 618
Cash and short term deposits		176 988 017			176 988 017
Total December 31, 2020		**362 393 300**	**-**	**1 330 800**	**363 724 100**

Financial Liabilities

	Note	Financial liabilities at amortised cost	Derivatives not used for hedging	Derivatives used for hedging	Financial Liabilities at Fair Value	Total
Interest - bearing loans and borrowings	22	517 787 593	-	-	-	517 787 593
Trade payables	24	269 424 793	-	-	-	269 424 793
Other payables	25	37 286 083	-	17 292 429	-	54 578 512
Other financial liabilities	26	18 457 930	-	-	6 776 795	25 234 725
Total December 31, 2021		**842 956 399**	**-**	**-**	**6 776 795**	**849 733 194**
Interest - bearing loans and borrowings		578 179 382	-	-	-	578 179 382
Trade payables		143 993 679	-	-	-	143 993 679
Other payables		31 688 757	-	-	-	31 688 757
Other financial liabilities		16 454 135	-	-	3 904 801	20 358 936
Total December 31, 2020		**770 315 954**	**-**	**-**	**3 904 801**	**774 220 754**

11. GOODWILL

As at December 31st, 2021 and December 31st, 2020, Goodwill was made up as follows:

	Dec. 31, 2021	Dec. 31, 2020
Cost		
Iberia	89 569 229	89 569 229
Poland	98 802 113	98 472 402
Germany	13 889 718	13 889 718
South East Europe	208 573 636	209 678 320
	410 834 696	**411 609 669**
Impairment		
Iberia	(8 345 363)	(8 345 363)
	(8 345 363)	**(8 345 363)**
Net book value	**402 489 333**	**403 264 306**

Changes in goodwill are shown as follows:

	Dec. 31, 2021	Dec. 31, 2020
Opening balance	**403 264 306**	**412 711 468**
Additions	-	-
Foreign exchange differences	(774 973)	(9 447 162)
Closing balance	**402 489 333**	**403 264 306**

Impairment testing of goodwill

Goodwill has been allocated to the distinguishable Cash Generating Units (CGUs) (Iberia plants, Polish plants, Germany plant and South East Europe plants), for impairment testing purposes.

The Group performed its annual impairment test as at December 31st, 2021 and December 31st, 2020.

The recoverable amount of each CGU has been determined based on a value in use calculation using cash flows projections from budgets approved by senior management covering a five-year period.

Assumptions with respect to gross margins, discount rates, raw materials price inflation, market share during the forecast period used to extrapolate cash flows beyond the forecast period are deemed to be conservative and in line with past performance of the Group. The growth rates are the same as the long-term average growth rate for the markets in which the Group operates.

The pre-tax discount rate considered for each CGU after the projection period are as follows:

Business Unit	2021	2020
Iberia	4,4%	4,2%
Poland	6,6%	5,2%
Germany	3,9%	3,8%
South East Europe	6,5%	5,9%

The tests performed at year-end 2021 and 2020 show that recoverable amount for each CGU is higher than its carrying amount with sufficient headroom. A reasonable possible change in individual assumptions is therefore not resulting in impairment even with consideration of additional sensitivities at year-end 2020 and 2021.

Key assumptions

The calculation of the recoverable amount for the Group of CGUs referred previously was made with reference to:

- The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing loans the Group has;
- The sales growth forecasts are based on the combination of the annual change expected in the general consumer price indexes of each region, used as a reference of forecast changes in selling prices, and the growth in sales volume is consistent with the forecasts for growth in demand and the estimated increase in production capacity of each plant based on investment figures.
- Regarding the main components (raw materials and energy) that have significant impact on the glass business, the management considered an increase in prices based on data available from our main suppliers, otherwise past actual raw material and energy price movements are used as an indicator of future price movements;
- The capital expenditures plans used in impairment test of goodwill are in accordance with the projections approved by the Board.

Sensitivity to changes in assumptions

The impairment tests performed were subjected to a sensitivity analysis, namely to the following Key assumptions: (i) discount rates; (ii) perpetuity growth rate.

A 2 percentage point increase in the discount rate and a 2 percentage point decrease in terminal growth rate would not reveal any indication of impairment.

Assumption	Discount rate	Perpetuity growth rate
Δ	**+2%**	**-2%**
Iberia	No impairment	No impairment
Poland	No impairment	No impairment
Germany	No impairment	No impairment
South East Europe	No impairment	No impairment

12. Intangible assets

Changes in intangible assets and corresponding accumulated amortization and impairment losses were as follows:

2021

	CO2 emission rights	Customer relationship	Licences	Other	Total Amount
Cost					
Balance as at January 1 2021	1 479 678	32 300 135	2 261 727	1 068 733	37 110 273
Reclassification (gross up)	-	-	-	-	-
Foreign exchange differences	-	(215 925)	(1 370)	3 578	(213 716)
Additions	14 970 988	-	-	-	14 970 988
Disposals	-	-	-	-	-
Transfers/ Release to P&L	(12 913 115)	-	-	-	(12 913 115)
Balance as at December 31 2021	3 537 551	32 084 211	2 260 357	1 072 311	38 954 430
Amortization and impairment					
Balance as at January 1 2021	-	10 193 204	2 261 727	1 054 035	13 508 965
Reclassification (gross up)	-	-	-	-	-
Foreign exchange differences	-	(5 340)	(49 855)	(6 000)	(61 195)
Amortisation charge of the year	-	2 416 881	48 485	13 220	2 478 586
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at December 31 2021	**-**	**12 604 745**	**2 260 357**	**1 061 255**	**15 926 357**
Net book value as at December 31 2021	**3 537 551**	**19 479 465**	**-**	**11 057**	**23 028 073**

2020

	CO2 emission rights	Customer relationship	Licences	Other	Total Amount
Cost					
Balance as at January 1 2020	920 220	31 899 951	1 065 048	1 216 684	35 101 902
Reclassification (gross up)	240 627	694 051	1 198 177	(87 193)	2 045 662
Foreign exchange differences	-	(293 866)	(1 498)	(88 007)	(383 371)
Additions	5 642 600	-	-	27 250	5 669 850
Disposals	-	-	-	-	-
Transfers/ Release to P&L	(5 323 769)	-	-	-	(5 323 769)
Balance as at December 31 2020	1 479 678	32 300 135	2 261 727	1 068 733	37 110 273
Amortization and impairment					
Balance as at January 1 2020	-	7 156 939	878 524	1 133 750	9 169 213
Reclassification (gross up)	-	711 294	1 338 629	(4 259)	2 045 664
Foreign exchange differences	-	(182 843)	54 312	(75 456)	(203 988)
Amortisation charge of the year	-	2 507 814	(9 738)	-	2 498 076
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at December 31 2020	**-**	**10 193 204**	**2 261 727**	**1 054 035**	**13 508 965**
Net book value as at December 31 2020	**1 479 678**	**22 106 932**	**-**	**14 698**	**23 601 308**

The customer relationships were acquired as part of a business combination. They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis over their estimated useful lives (13 years).

The CO_2 emission rights balance represents the emission rights purchased higher than emissions for the year.

Licenses are predominantly related to computer software.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Transport equipment	Administrative equipment	Other fixed assets	Fixed assets under construction	Right of use	Total amount fixed assets
Balance as at January 1 2021	**98 708 882**	**238 956 440**	**1 070 712 932**	**3 030 725**	**15 864 848**	**18 732 276**	**38 982 707**	**24 904 407**	**1 509 893 217**
Foreign exchange differences	(295 787)	(32 297)	1 887 468	(4 373)	(659)	(6 994)	14 052	(72 338)	1 489 072
Additions	2 025 332	9 283 495	29 214 393	68 091	2 187 367	595 469	54 539 969	3 034 517	100 948 633
Disposals/write off	(253 501)	(423 042)	(57 090 623)	(34 762)	(14 065)	(156 263)	-	(2 355 987)	(60 328 244)
Revaluation	80 380	-	-	-	-	-	-	-	80 380
Transfers/Other adjustments	72 075	(72 075)	3 477 781	-	-	68 039	(3 545 820)		-
Balance as at December 31 2021	**100 337 381**	**247 712 521**	**1 048 201 950**	**3 059 681**	**18 037 491**	**19 232 526**	**89 990 909**	**25 510 599**	**1 552 083 059**
Depreciation and impairment									
Balance as at January 1 2021	**-**	**120 780 764**	**762 300 182**	**2 536 126**	**10 043 059**	**17 023 031**	**-**	**10 935 108**	**923 618 270**
Foreign exchange differences	-	722 173	(1 121 290)	(1 912)	(31 942)	460 478	-	(78 808)	(51 301)
Depreciation charge of the year	-	7 769 200	74 077 881	148 453	388 076	625 890	-	3 723 914	86 733 412
Disposals/write off	-	(286 892)	(54 351 773)	(34 762)	(14 065)	(156 263)	-	(2 144 699)	(56 988 454)
Transfers/Other adjustments	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-
Balance as at December 31 2021	**-**	**128 985 244**	**780 905 001**	**2 647 904**	**10 385 128**	**17 953 135**	**-**	**12 435 515**	**953 311 927**
Net book value as at December 31 2021	**100 337 381**	**118 727 276**	**267 296 950**	**411 777**	**7 652 363**	**1 279 391**	**89 990 909**	**13 075 084**	**598 771 131**

13. PROPERTY, PLANT AND EQUIPMENT (cont.)

	Land	Buildings	Equipment	Transport equipment	Administrative equipment	Other fixed assets	Fixed assets under construction	Right of use	Total amount fixed assets
Balance as at December 31 2019	**96 291 053**	**243 846 539**	**1 005 500 934**	**3 150 131**	**11 121 492**	**12 968 925**	**29 860 348**	**19 424 035**	**1 422 163 459**
Reclassification (gross up)	2 055 163	(1 392 022)	(4 005 557)	32 921	2 733 404	4 696 837	(1 027 846)	(1)	3 092 898
Balance as at January 1 2020	**98 346 216**	**242 454 517**	**1 001 495 377**	**3 183 052**	**13 854 896**	**17 665 762**	**28 832 502**	**19 424 034**	**1 425 256 357**
Foreign exchange differences	(433 194)	(3 633 671)	(11 775 763)	(24 259)	(520)	(111 423)	(105 730)	(119 237)	(16 203 796)
Additions	344 058	4 203 736	66 522 585	164 986	2 054 129	1 177 937	29 953 330	5 993 062	110 413 824
Disposals/write off	(345 145)	(5 432 987)	(3 861 787)	(293 053)	(43 658)	-	-	(393 453)	(10 370 084)
Revaluation	796 946	-	-	-	-	-	-	-	796 946
Transfers/Other adjustments	-	1 364 845	18 332 520	-	-	-	(19 697 395)	-	(29)
Balance as at December 31 2020	**98 708 882**	**238 956 440**	**1 070 712 932**	**3 030 725**	**15 864 848**	**18 732 276**	**38 982 707**	**24 904 407**	**1 509 893 217**
Depreciation and impairment									
Balance as at December 31 2019	**-**	**114 659 463**	**703 982 576**	**2 539 539**	**10 456 273**	**12 758 425**	**-**	**7 215 377**	**851 611 652**
Reclassification (gross up)	-	4 084 223	(4 900 978)	35 297	(789 449)	4 663 805	-	(1)	3 092 898
Balance as at January 1 2020	-	118 743 686	699 081 598	2 574 836	9 666 824	17 422 230	-	7 215 376	854 704 550
Foreign exchange differences	-	(1 209 787)	(8 835 522)	(21 710)	(16 916)	138 575	-	(16 007)	(9 961 368)
Depreciation charge of the year	-	8 595 985	73 497 931	240 359	436 809	1 090 096	-	4 046 233	87 907 413
Disposals/write off	-	(5 349 120)	(3 069 594)	(259 432)	(43 658)	-	-	(297 681)	(9 019 485)
Transfers/Other adjustments	-	-	(224 505)	2 073	-	222 405	-	(12 813)	(12 840)
Impairment Losses	-	-	-	-	-	-	-	-	-
Balance as at December 31 2020	**-**	**120 780 764**	**760 449 907**	**2 536 126**	**10 043 059**	**18 873 306**	**-**	**10 935 108**	**923 618 270**

During 2021 and 2020, there is no amount of borrowing costs capitalized.

Assets under construction included at 31 December 2021 amounts related to investments to be done in furnaces in Portugal and Bulgaria.

Revaluation of land

The Group engaged an external appraiser to assess fair values as at 31 December 2020, for its land in Poland, where an increase of the revaluation of EUR 0,8M was identified. A net gain from the revaluation of EUR 0,6M was recognized in OCI.

Right of Use

Changes in right of use assets and corresponding accumulated depreciation and impairment losses were as follows:

	Land	Buildings & other constructions	Transport equipment	Other fixed assets	Total
Gross Assets					
Balance as at 1 January 2021	**2 481 780**	**13 959 810**	**3 647 593**	**4 815 223**	**24 904 407**
Foreign exchange differences	-	(50 636)	(10 851)	(10 851)	(72 338)
Additions	-	136 802	843 173	2 054 542	3 034 517
Disposals/write off	-	(1 501 518)	(205 555)	(648 914)	(2 355 987)
Revaluation	-	-	-	-	-
Transfers/Other adjustments	-	-	-	-	-
Balance as at December 31 2021	**2 481 780**	**12 544 458**	**4 274 361**	**6 210 000**	**25 510 599**
Depreciation and impairment					
Balance as at 1 January 2021	**-**	**6 934 595**	**1 883 990**	**2 116 523**	**10 935 108**
Foreign exchange differences	-	(55 166)	(11 821)	(11 821)	(78 808)
Depreciation charge of the year	-	1 196 972	1 096 304	1 430 639	3 723 914
Disposals/write off	-	(1 453 152)	(159 634)	(531 913)	(2 144 699)
Transfers/Other adjustments	-	-	-	-	-
Impairment Losses	-	-	-	-	-
Balance as at December 31 2021	**-**	**6 623 249**	**2 808 839**	**3 003 427**	**12 435 515**
Net book value as at December 31 2021	**2 481 780**	**5 921 209**	**1 465 522**	**3 206 573**	**13 075 084**

	Land	Buildings & other constructions	Transport equipment	Other fixed assets	Total
Gross Assets					
Balance as at 1 January 2020	**2 481 780**	**10 686 986**	**2 968 284**	**3 286 984**	**19 424 034**
Foreign exchange differences	-	(83 466)	(17 885)	(17 885)	(119 237)
Additions	-	3 446 007	803 211	1 743 844	5 993 062
Disposals/write off	-	(89 717)	(106 016)	(197 719)	(393 453)
Revaluation	-	-	-	-	-
Transfers/Other adjustments	-	-	-	-	-
Balance as at December 31 2020	**2 481 780**	**13 959 810**	**3 647 593**	**4 815 223**	**24 904 407**
Depreciation and impairment					
Balance as at 1 January 2020	**-**	**5 432 585**	**895 720**	**887 071**	**7 215 376**
Foreign exchange differences	-	(11 205)	(2 401)	(2 401)	(16 007)
Depreciation charge of the year	-	1 572 713	1 075 861	1 397 659	4 046 233
Disposals/write off	-	(59 498)	(85 190)	(152 993)	(297 681)
Transfers/Other adjustments	-	-	-	(12 813)	(12 813)
Impairment Losses	-	-	-	-	-
Balance as at December 31 2020	**-**	**6 934 595**	**1 883 990**	**2 116 523**	**10 935 108**
Net book value as at December 31 2020	**2 481 780**	**7 025 215**	**1 763 604**	**2 698 700**	**13 969 299**

14. INVESTMENT PROPERTIES

	Dec. 31, 2021	Dec. 31, 2020
Gross Assets		
Balance 1 January	**1 842 343**	**2 001 415**
Increases	-	-
Foreign exchange differences	-	(7 799)
Decreases	-	(151 273)
Balance 31 December	**1 842 343**	**1 842 343**
Depreciation		
Balance 1 January	**824 705**	**767 315**
Increases (Current Depreciation)	57 372	57 391
Foreign exchange differences		(0)
Decreases	-	-
Balance 31 December	**882 077**	**824 705**
Net value as at 31 December	**960 266**	**1 017 638**

Investment properties consist of properties initially measured at cost which are held for renting in Portugal.

After initial recognition, investment properties are being depreciated through the estimated useful life of duration (20 years). Rentals are earned and they are recognized in "other operating income" (note 29).

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. At 31 December 2021, BA estimates that the fair value is higher than the book value.

15. OTHER FINANCIAL INVESTMENTS

Changes in other financial assets were as follows:

	Dec.31, 2021	Dec.31, 2020
At 1 January	**3 490 941**	**3 574 342**
Additions	2 000 000	-
Disposals	(2 791)	(22 218)
Gain/(loss) of Fair Value	12 413	(64 638)
Reclassification/ Others	-	-
Foreign exchange differences	183	3 456
At 31 December	**5 500 746**	**3 490 941**

Other financial investments comprise mainly a participation in two innovation funds (one in 2020), in Portugal (EUR 4M; 31-12-2020: EUR 2M).

16. INVENTORIES

Description	Dec.31 st, 2021	Dec.31 st, 2020
Raw materials and consumables	30 088 591	29 324 397
Finished good and work in progress	114 176 132	105 149 449
Goods for resale	771 179	714 416
	145 035 903	**135 188 262**
Impairment	(7 468 377)	(9 465 947)
	137 567 526	**125 722 314**

Quality of stock is reviewed periodically, and non-conforming stock is destroyed immediately. The increases / decreases of the period are recognized as an expense in the caption "Change in stocks of finished goods".

17. TRADE RECEIVABLES

Description	Dec.31 st, 2021	Dec.31 st, 2020
Trade receivables	157 958 038	160 313 924
Notes receivables	5 052 249	3 832 880
	163 010 286	**164 146 804**
Impairment	(9 333 986)	(9 759 988)
	153 676 301	**154 386 816**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Trade receivables marginally decreased despite the increased sales.

See below for the movements in the provision for impairment of receivables:

Description	Dec.31 st, 2021	Dec.31 st, 2020
At 1 January	**9 759 988**	**8 850 703**
Charges of the year	142 419	946 869
Unused amounts reversed	(561 075)	(2 678)
Foreign exchange differences	(7 346)	(34 906)
At 31 december	**9 333 986**	**9 759 988**

As at 31 December, the ageing analysis of trade receivables is, as follows:

	Total	Not due net of impairment	Past due net of impairment				
			< 30 days	30-60 days	61-90 days	91-120 days	> 120 days
2021	153 676 301	145 697 055	7 196 750	2 544 525	760 805	(205 085)	(2 317 748)
2020	154 386 816	143 052 966	10 806 908	827 570	646 770	(99 457)	(847 942)

18. OTHER CURRENT DEBTORS

	Dec. 31, 2021	Dec. 31, 2020
State and other state entities	25 744 603	24 329 647
Financial instruments - hedging	2 411 928	1 330 800
Right of return - Arising from Return.Pack.	4 073 488	0
Other	690 010	1 753 203
	32 920 029	**27 413 650**

The carrying amount of "State and other state entities" includes EUR 25.7M (EUR 24.3M in 2020) related to VAT connected with the normal business operations of the group that was already claimed back from the different tax jurisdictions and is in the normal procedure of recovery.

The right of return asset arising from Returnable Packaging sold to customers represents the Group's right to recover the pallets and plastic pads expected to be returned by customers (refer to note 28.3).

Amount presented in "Financial Instruments" caption are CO2 forwards that are entered to economically hedge current CO2 liability, designated at FVTPL (see Note 40).

19. OTHER CURRENT ASSETS

	Dec. 31, 2021	Dec. 31, 2020
Accrued income	622 252	206 635
Deferred costs - insurances	1 337 541	1 194 110
Other	57 045	43 931
	2 016 838	**1 444 676**

20. CASH AND SHORT-TERM DEPOSITS

	Dec. 31, 2021	Dec. 31, 2020
Cash on Hand	51 908	57 608
Bank Balance	128 245 791	176 930 409
Total Cash on hand and Bank Balance	**128 297 699**	**176 988 017**
Not available for use	-	-
Total Cash and Cash Equivalents	**128 297 699**	**176 988 017**

The caption "Cash and short-term deposits" includes cash on hand, demand deposits, treasury applications and term deposits which mature is less than three months for which there is insignificant risk of change in value.

21. EQUITY

Issued capital

As at December 31st, 2021 and 2020, the Group's share capital, totaling EUR 36,000 was fully subscribed and paid up.

The following table details the Group's shareholding structure, as at December 31st, 2021 and December 31st, 2020:

	Dec. 31, 2021		Dec. 31, 2020	
	No.of shares	%	No.of shares	%
Fim do Dia, SGPS, S.A.	17 064	47,4%	17 064	47,4%
Teak Capital, S.A.	9 468	26,3%	9 468	26,3%
Tangor Capital, S.A.	9 468	26,3%	9 468	26,3%
	36 000	**100,0%**	**36 000**	**100,0%**

Other capital reserves

Other capital reserves relate to revaluation of land (see section 4f for further details).

Retained earnings

In 2021 a dividend of EUR 6.389 (2020: 1.639) per share was paid.

Other components of equity

In 2021 the decrease of EUR 12.4 million mainly relates to cash flow hedges (-/- EUR 12.9 million, net of deferred tax impact), other movements mainly relate to remeasurement gains on defined benefit plans (+/+ EUR 0.5 million).

22. INTEREST-BEARING LOANS AND BORROWINGS

	Dec. 31, 2021	Dec. 31, 2020
Interest Bearing loans and Borrowings		
Non - current	435 338 254	466 213 044
Current	82 449 339	111 966 337
	517 787 593	**578 179 382**
Cash and Bank Loans		
Cash	51 908	57 608
Bank deposits	128 245 791	176 930 409
	128 297 699	**176 988 017**
Net Debt	**389 489 894**	**401 191 365**

The Group's bank loans bear interests at market rates. Most of the Group exposure to interest rate risk arises as it borrows funds mainly at floating interest rates.

The foreign currency bank loans were translated to Euro using the exchange rates in force at the statement of financial position date.

The net position of bank balances (hereinafter as "net debt") is as follows:

	Short term	Long term	Total Debt Dec.31, 2021	Total Debt Dec.31, 2020
Bank Loans	42 623 304	113 495 002	156 118 306	230 640 614
Bonds and commercial paper	28 750 000	312 750 000	341 500 000	326 898 562
Bank overdrafts	-	-	-	836 513
Other loans	6 704 995	54 046	6 759 041	4 755 220
Cash and Bank deposits	(128 297 699)	-	(128 297 699)	(176 988 017)
Lease liabilities	4 371 041	9 037 585	13 408 626	15 048 474
	(45 848 359)	**435 336 632**	**389 488 273**	**401 191 366**
Fair value of interest rate derivatives	-	-	-	-
	(45 848 359)	**435 336 632**	**389 488 273**	**401 191 366**

There are some covenants attached to some loans negotiated with the banks. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

All Group debt is secured with Negative pledge (with certain carve-outs and thresholds available), cross default and Pari Passu clauses.

No mortgages or pledges are in place as guarantee for the accomplishment of the obligations in any financing contract.

Group uses Commercial Paper programs to have flexibility in the management of the available financing lines. A mix of short term and long term is used to adapt repayment schedule of the debt to the expected cash flow generated for debt repayment.

The Group has liquidity available to face possible negative movements in the finance markets. Debt is followed with strict control and some indicators are measured and controlled to guarantee a solid and safe financial structure. Main indicator considered as a key control to guarantee financial stability is net debt / EBITDA which the Board follows strictly to ensure it is not above 4.0x.

The group has finished the year with a net debt / EBITDA of 1.6 , significantly below the levels where the Board of Directors has given indications the debt should be.

22.1 MATURITY OF DEBT

Maturity of Debt, except right of use	
2022	78 078 298
2023-2026	418 106 039
> 2026	8 193 011

23. PROVISIONS

	Retirement pensions (note 35)	Environmental liabilities	Others	Total
Balance at January 1 2021	**4 083 866**	**193 238**	**299 619**	**4 576 724**
Foreign exchange difference	(34)	-	64	31
Utilization	(310 008)	-	(243 133)	(553 141)
Increase in the year	515 153	-	-	515 153
Actuarial results through OCI	(664 582)	-	-	(664 582)
Other	511	-	-	511
Balance at December 31 2021	**3 624 906**	**193 238**	**56 550**	**3 874 694**

	Retirement pensions (note 35)	Environmental liabilities	Others	Total
Balance at January 1 2020	**4 099 068**	**193 238**	**390 420**	**4 682 727**
Foreign exchange difference	(6 560)	-	(11 670)	(18 231)
Utilization	(4 069 739)	-	(79 131)	(4 148 870)
Increase in the year	3 996 242	-	-	3 996 242
Other adjustments (OCI)	94 123	-	-	94 123
Other	(29 267)	-	-	(29 267)
Balance at December 31 2020	**4 083 866**	**193 238**	**299 619**	**4 576 724**

Minas de Valdecastillo, SAU is liable for restoration of land allocated to its mining operations which are estimated to an amount of EUR 193 thousand (refer to Note 38.2).

24. TRADE PAYABLES

The caption "Trade payables" as at 31st December 2021 and 2020 is made up as follows:

	Dec. 31, 2021	Dec. 31, 2020
Trade payables - Suppliers	269 424 793	143 993 679
	269 424 793	**143 993 679**

This caption as at 31 December 2021 and 2020 corresponds to balances resulting from purchases in the normal course of the Group's business.

The carrying amount of these liabilities (which are reported at their nominal value) constitutes a fair approximation of its amortized cost and fair value.

Trade payables are non-interest bearing and are normally settled on 60 to 90-day terms.

25. OTHER PAYABLES

	Dec. 31, 2021	Dec. 31, 2020
State and other state entities	4 612 451	6 945 718
Fixed asset suplliers	29 725 593	22 523 909
Swap Contracts	17 292 429	-
Other	2 948 039	2 219 130
	54 578 512	**31 688 757**

The caption "State and other state entities" as at December 31st, 2021 comprises an amount of EUR 2.7 million (2020: EUR 2.6 million) related with social security contributions derived from December payroll, and personnel income taxes withheld amounting to EUR 1.1 million (2020: EUR 0.9 million), and VAT payable of EUR 0.9 million (2020: EUR 3.4 million).

The amount for fixed assets suppliers in 2021 and 2020 corresponds to balances resulting from investments in Iberia, South East and Central Europe plants.

The swap contracts relate to swap agreements in relation to natural gas and electricity which classify as cash flow hedge.

26. OTHER CURRENT LIABILITIES

	Dec. 31, 2021	Dec. 31, 2020
Accrued costs		
Payroll expenses	7 775 573	8 445 476
Finance expenses	794 363	965 945
Bonus granted (rappel)	2 434 874	2 576 668
CO2 licences	6 776 795	3 904 801
Other	2 480 445	3 457 355
	20 262 050	**19 350 245**
Refund liability - Arising from Return.Pack.	4 073 488	-
Other deferred revenue	899 187	1 008 691
	4 972 675	**1 008 691**
Other current liabilities	**25 234 725**	**20 358 936**

The Group accounts for the liability for commercial bonus (rappel) in accordance with the sales agreements in place.

The amount presented in CO2 licenses is related with deficit of 2021 year. The Group has entered in the celebration of forwards contracts to cover this deficit.

27. GOVERNMENT GRANTS

Government grants have been received in connection with the purchase of certain items of property, plant and equipment.

	Dec.31, 2021	Dec.31, 2020
At 1 January	**8 887 890**	**11 487 130**
Foreign exchange difference	(64 511)	(146 705)
Received during the year	31 361	155 906
Released to the statement of profit or loss	(2 384 686)	(2 557 534)
Other adjustments	89 769	(50 908)
At 31 December	**6 559 823**	**8 887 890**
Current	3 110 411	2 343 687
Non-current	3 449 412	6 544 203

There are no unfulfilled conditions or contingencies attached to grants. Amounts released to the statement of profit or loss are recorded as Other operating income (see note 29).

28. REVENUE FROM CONTRACTS WITH CUSTOMERS

28.1 DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Description	Iberia division	Central Europe division	South East Europe division	Inter-segment elimination	Total
Glass Packaging	548 094 366	183 295 273	285 779 669	(871 285)	1 016 298 023
Total Dec.31,2021	**548 094 366**	**183 295 273**	**285 779 669**	**(871 285)**	**1 016 298 023**
Total Dec.31,2020	**516 722 060**	**175 216 963**	**239 319 571**	**(540 371)**	**930 718 223**

The total revenue from contract with customers presented in table above are recognised at a point in time.

There is no revenue recognised in 2021 (neither in 2020) that was related with performance obligations satisfied (or partially satisfied) in previous periods.

28.2. CONTRACT BALANCES

There are no contract balances related with revenue from customers.

28.3. RIGHT OF RETURN ASSETS AND REFUND LIABILITIES

	Dec.31, 2021	Dec.31, 2020
Right of return assets - arising from Returnable Packaging	4 073 488	0
Refund Liabilities - arising from volume rebates	2 434 874	2 576 668
Refund Liabilities - arising from Returnable Packaging	4 073 488	0

Right of Return asset arising from Returnable Packaging sold to customers. This Right of return asset represents the Group's right to recover the pallets and plastic pads expected to be returned by customers.

Refund liabilities arising from retrospective volume rebates, in accordance with the sales agreement in place. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold.

Refund liabilities also arising from the Returnable Packaging sold to customers and expected to be returned by them.

28.4. PERFORMANCE OBLIGATIONS

Sale of Glass Packaging

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery. Some contracts provide customers with a volume rebates which give rise to variable consideration subject to constraint.

29. OTHER OPERATING INCOME

Description	Dec.31, 2021	Dec.31, 2020
Government Grants	2 384 686	2 557 534
Gain on disposal of assets	39 654	126 049
Indemnities	4 596 960	811 354
Rentals	90 151	90 589
Exchange differences	-	1 255
Refunds Energy	557 679	1 332 825
Others	1 161 218	1 857 619
	8 830 349	**6 777 225**

30. OTHER OPERATING EXPENSES

Description	Dec.31, 2021	Dec.31, 2020
Taxes	2 842 809	2 933 179
Loss on disposal of assets	187 957	119 769
Exchange differences	188 632	-
Other	2 662 085	3 187 465
	5 881 483	**6 240 414**

Taxes include municipal property taxes, stamp duty, environmental taxes and other local legal fees and taxes.

31. IMPAIRMENT

Description	Dec.31, 2021	Dec.31, 2020
Trade receivables (Note 17)	142 419	946 869
Other	(27 887)	595 326
	114 532	**1 542 194**

32. FINANCIAL RESULTS

Description	Dec.31, 2021	Dec.31, 2020
Interest on debts and borrowings	8 233 903	8 203 986
Discounts granted	1 167 079	1 483 214
Other finance costs	182 188	390 061
Foreign exchange losses on interest- bearing loans and borrowings		5 520 191
Finance costs	**9 583 170**	**15 597 452**
Interest income	164 339	19 946
Other financial income	280 560	33 231
Foreign exchange gains on interest- bearing loans and borrowings	1 044 031	-
Finance income	**1 488 930**	**53 176**
Financial results	**(8 094 240)**	**(15 544 275)**

Financial costs reduced during the year related mainly with the positive effect on the foreign exchange gains on interest-bearing loans and borrowings.

33. INCOME TAX

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

Description	Dec.31 st, 2021	Dec.31 st, 2020
Current tax	23 587 021	37 400 607
Adjustments in respect of previous year	(963 666)	(2 927 836)
Deferred tax	1 931 016	3 517 753
	24 554 371	**37 990 525**

Income tax for the years ended 31st December 2021 and 2020 is made up as follows:

Description	Dec.31, 2021	Dec.31, 2020
Current income tax		
Current income tax charge	23 587 021	37 400 607
Adjustments in respect of current income tax of previous year	(963 666)	(2 927 836)
Deferred tax		
Relating to origination and reversal temporary differences	1 931 016	3 517 753
Income tax expense reported in the statement of profit or loss	**24 554 371**	**37 990 525**
Deferred tax related to items recognised in OCI during in the year:		
Revaluation PP&E		151 420
Government Grants		
Remeasurement (gain)/loss on actuarial gains and losses	(103 143)	
Deferred tax charged to OCI	**(103 143)**	**151 420**

Corporate income tax rates in the countries where the Group are as follows:

	2021		2020	
Tax jurisdiction	**Nominal tax rate**	**Other additional rate**	**Nominal tax rate**	**Other additional rate**
Portugal	21,0%	1.5%-9%	21,0%	1.5%-9%
Spain	25,0%	-	25,0%	-
Poland	19,0%	-	19,0%	-
Germany	15,0%	14%-17%	15,0%	14%-17%
Greece	24,0%	-	24,0%	-
Bulgaria	10,0%	-	10,0%	-
Romania	16,0%	-	16,0%	-
Netherlands	15%-25%	-	16.5%-25%	-

Reconciliation of tax expense and the accounting profit multiplied by BA Glass B.V. domestic tax rate for 2021 and 2020:

Reconciliation of tax expense and the accounting profit:	**Dec.31, 2021**	**Dec.31, 2020**
Profit before tax	158 097 997	221 508 089
Nominal tax rate for the period	25%	25%
At statutory income tax rate (nominal)	39 524 499	55 377 022
Adjustments in respect of current income tax of previous years	(963 666)	(2 927 836)
Tax benefits	(5 461 169)	(5 260 692)
Share of results of an associate and a joint ventures	1 700 677	(235 394)
Effect tax rate different (subsidiaries)	(10 336 532)	(10 269 364)
Others	90 561	1 306 788
Income tax expense	**24 554 371**	**37 990 525**
Effective tax rate for the period	**15,53%**	**17,15%**

The main difference between the nominal tax rate and the effective tax rate are mainly related to tax benefits and the effect of lower tax rates in other geographies (mainly Poland, Bulgaria and Romania).

All the deferred tax assets related with carry forward of unused tax losses are recognized.

As at December 31st, 2021 and December 31st, 2020 the amount related with corporate income tax payable presented in balance sheet is EUR 8.7 million (2020: EUR 6.1 million).

As at December 31st, 2021, the amount related with corporate income tax recoverable includes EUR 4.8 million related with two payments made in 2013 and 2016 in connection to an extraordinary settlement of tax litigation in Portugal.

Despite the payments, the Group considers it probable to recover the amounts paid also considering that during the year of 2019 an amount of EUR 0.8M was received based on a court case that the Group has won.

Description	**Dec.31, 2021**	**Dec.31, 2020**
Deferred tax assets		
Provisions for pensions	617 464	778 240
Allowance for bad debts	628 550	736 754
Tax depreciations	536 697	572 222
Goodwill	315 040	550 638
Tax revaluation of tangible fixed assets	2 964 178	4 831 267
Tax losses	3 399 666	1 387 383
Impaiment inventories	1 350 065	2 461 339
Cash-flow hedging	4 369 130	-
Others	428 289	1 813 143
	14 609 078	**13 130 986**
Deferred tax liabilities		
Uniform depreciation criteria (adjustment of useful lives)	3 661 895	3 722 059
Fair value adjustments - land	7 944 937	7 962 115
Fair value adjustments - intangible assets	2 955 760	3 505 434
Libertad de amortización (depreciation deduction fiscal benefit)	-	-
Tax revaluation reserves of tangible assets	3 070 979	3 918 093
Others	3 192 471	2 496 025
	20 826 041	**21 603 726**
Net deferred tax assets/(liabilities)	**(6 216 963)**	**(8 472 741)**

In 2016, the subsidiary BA Glass Portugal recognized for the first time a deferred tax asset in accordance with tax revaluation tangible fixed assets under a Portuguese specific legislation that entered in force during the year. The tax revaluation, is subject to a special taxation of 14%, paid in three equal installments, in 2016, 2017 and 2018. The increase in depreciation resulting from the revaluation can be considered for tax purposes as from the taxation period beginning in 2018 for the following 8 years. The deferred taxes are being used from 2018.

The balance shown under tax depreciation relate to a tax adjustment in Spain where during the periods of 2013 and 2014 an amount equal to 30% of accounting depreciations should be added for tax purposes being recovered in the periods starting 2015. This reduced the tax depreciations for those periods allowing for the use of the accrued depreciations in future years as tax cost through a positive adjustment in the Corporate Income Tax for the period.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same Tax Authority.

During the year ended 31 December 2021 and 2020, changes in deferred tax (net) were made up as follows:

Reconciliation of deferred tax, net		
	Dec.31, 2021	**Dec.31, 2020**
As of 1 January	(8 472 741)	(4 957 029)
Deferred taxes acquired in business combinations (Note 6)	-	-
Tax income/(expense) during the period recognised in profit or loss	(2 216 491)	(3 517 753)
Tax income/(expense) during the period recognised in OCI	103 143	(151 420)
Others		153 460
As at 31 December	**(6 216 963)**	**(8 472 741)**

There are no income tax consequences attached to the payment of dividends in either 2021 or 2020 by the Group to its shareholders.

34. EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	Dec.31, 2021	**Dec.31, 2020**
Profit attributable to ordinary equity holders of the parent:		
Continuing operations	133 543 626	183 517 564
Discontinued operations		
Profit attributable to ordinary equity holders of the parent for basic earnings	**133 543 626**	**183 517 564**
Weighted average number of ordinary shares	**36 000**	**36 000**
Earnings per share		
Basic	3 709,55	5 097,71
Diluted	3 709,55	5 097,71

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

35. POST-RETIREMENT BENEFITS

	Dec.31, 2021	**Dec.31, 2020**
Portugal	1 129 129	1 272 811
Greece	392 455	709 279
Bulgaria	1 820 338	1 953 225
Other companies	282 984	148 552
	3 624 906	**4 083 866**

The subsidiary BA Glass Portugal offers to actual pensioners' retirement pension plans which liabilities are annually calculated based on actuarial studies. The plans have been closed some years ago, therefore, no new entries will join it.

The subsidiary BA Greece has a defined benefit retirement plan, incurring from is obligation accordingly with the law 2112/20, as amended by law 4093/12.

The subsidiary BA Bulgaria has a defined benefit retirement plan, incurring from its obligation according to the Bulgarian labor law and the Collective Labor Agreement to pay to its employees upon retirement from two to seven gross monthly salaries, depending on the years of service.

The components of the retirement employee benefits expense recognized in the profit and loss, and the liabilities recognized in the balance sheet as at 31 December 2021 and 2020 are summarized below:

	Dec.31, 2021	Dec.31, 2020
Current Service Cost	265 305	183 169
Interest cost on service obligation	13 351	18 511
Net benefit expense	**278 656**	**201 679**

Changes in present value of the defined benefit obligations:

Defined benefit obligation at 1 January	4 083 866	4 099 069
Interest cost	13 351	18 511
Current service cost	265 305	183 169
Benefits paid	(310 008)	(4 069 739)
Settlement/Curtailment/Termination loss/(gain)	236 497	3 794 562
Others	(468 833)	8 131
Actuarial changes arising from changes in demographic assumptions	1 980	(24 977)
Actuarial changes arising from changes in financial assumptions	(140 044)	119 100
Experience adjustments	(57 685)	(35 840)
Exchange differences	477	(8 118)
Defined benefit obligation at 31 December	**3 624 906**	**4 083 866**

Pension Cost Charge to profit and loss	**278 656**	**201 679**
Remeasurement gains/(losses) in OCI	**(664 582)**	**94 123**

A valuation methodology based on a "projected unit credit model" was determined by external parties and the following actuarial assumptions were used:

	2021			2020		
	Portugal	**Greece**	**Bulgaria**	**Portugal**	**Greece**	**Bulgaria**
Discount rate	0,38%	0,50%	0,60%	0,38%	0,60%	0,60%
Inflation rate	0,00%	2,00%	5,00%	0,00%	1,25%	5,00%
Pay increase	0,00%	2,00%	5,00%	0,00%	1,25%	5,00%

The Group does not have plan assets to pay or fund employee benefits.

36. EMPLOYEE BENEFIT EXPENSES

	Dec.31, 2021	Dec.31, 2020
Salaries, wages and similar	94 826 294	95 791 899
Other employee benefits	25 478 645	29 066 763
	120 304 938	**124 858 662**

The average of Full Time Employee number of employees during 2021 was 3.995 (4.034 during 2020).

37. RELATED PARTY TRANSACTIONS

Intercompany balances and transactions reported to the companies included in the consolidation perimeter, as referred to in Note 5, were eliminated for purposes of preparing the consolidated financial statements.

The key management personnel team comprises of 19 people who are based in the Netherlands and all other countries the Group operates in. Their compensation is limited to short-term benefits and include deferred compensation linked to the Group´s performance in a three year-period. No other long-term employee benefits are earned by directors. The Group does not have any share-based payments schemes and during the period no termination benefits have been paid. Overall, compensation of key management is aligned with market and industry practices. Fixed compensation represents 50-60% of the total compensation.

38. ENVIRONMENTAL MATTERS

In the conduct of its business, the Group incurs a variety of expenses of an environmental management nature which, depending on their characteristics, are capitalized or recognized as an operating expense in its operating results for the reporting period.

38.1 CO2 EMISSION RIGHTS

In 2021 the European Union started a new program of allocation of CO2 emission rights that last until 2030. In accordance with the new allocation rules, the CO2 emissions rights were reduced and will further result in a reduction every year till 2030.

During 2021 and 2020 the Group accounted under other "Raw materials and consumables used" all the deficit of used versus free licenses. During the year the Group's total emissions amounted to 1.002,7k tons (2020: 980,8k tons).

38.2 ENVIRONMENTAL RESTORATION EXPENSES

Minas de Valdecastillo, SAU carries a legal and constructive liability to restore land allocated to its mining operations which is estimated to amount to EUR 193 thousand (2020: EUR 193 thousand).

38.3 LIABILITY FOR ENVIRONMENTAL DAMAGES

The Group's subsidiaries which operate in Portugal have contractual reserves under equity to comply with the provisions of Decree-Law no. 147/2008.

39. COMMITMENTS AND CONTINGENCIES

39.1 BANK GUARANTEES

As at December 31st, 2021, in connection to Group Loans, the Group provided bank guarantees totaling EUR 42.4 million (2020: EUR 52.1 million), which balance includes a bank guarantee provided to the European Investment Bank ("EIB") as security for finance in the amount of EUR 41.6 million (2020: EUR 50.5 million).

39.2 CONTINGENCIES

The Group has several open tax matters/ tax inspections with Portuguese and Spanish Tax Authorities, as a result of additional tax settlements. No provision was booked in the financial statements due to the fact that the Management Board believes that it is not more likely than not that cash out flow will be needed to settle the open tax matters. The Group has filed an objection to those tax adjustments in the courts.

The Group has EUR 5.3 million (31 December 2020: EUR 5.3 million) booked in "Income tax" in current assets related with an exceptional regularization of tax debts. This regularization regime applies to debts which are being challenged by the Group in Court and the Group believes that it is not more likely than not that there will be an unfavorable settlement. In spite of the Group has paid this amount, it does not mean that the Group will not have a favorable assessment in what concerns the debts aforementioned.

These payments in advance were performed by the companies BA Glass Portugal S.A. and BA Glass I - Serviços de Gestão e Investimentos, S.A..

40. FINANCIAL RISK

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Group is exposed to financial risk such as interest rate risk, exchange rate risk, commodity price risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

The financial risk is the risk of the fair value or future cash flows of a financial instrument varying and of obtaining results other than those expected, whether these are positive or negative, changing the Group's net worth.

When carrying out its current activities the Group is exposed to a variety of financial risks liable to change its net worth which, depending on their nature, can be grouped into the following categories:

- Market risk
  - Interest rate risk
  - Exchange rate risk
  - Other price risks
- Credit risk
- Liquidity risk
- Other risks

The management of the above-mentioned risks which arise largely from the unpredictability of the financial markets – requires the careful application of a series of rules and methodologies approved by Management, whose ultimate objective is the reducing of their potential negative impact on the Group's net worth and performance.

With this objective in mind, all risk management is geared towards two essential concerns:

- To reduce, whenever possible, fluctuations in the results and cash-flows subject to situations of risk;
- To limit any deviations from the forecasted results by way of strict financial planning based on multiannual budgets.

As a rule, the Group does not assume speculative positions meaning that, generally speaking, the operations carried out in the context of financial risk management are aimed at controlling already existing risks to which the Group is exposed.

Management defines principles for risk management as a whole and policies which cover specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivative or non-derivative financial instruments and the investment of excess liquidity.

The management of financial risks, including their identification and evaluation, is carried out by the finance department in accordance with policies approved by Management.

Interest rate risk

Interest rate risk is the risk of the fair value or future cash flows of a financial instrument varying due to changes to market interest rates, changing the Group's net worth.

The Group's exposure to the risk of changes in market interest rates relates to the existence of assets and liabilities negotiated with fixed or floating interest rates. In the first case, the Group faces a risk of fluctuation in the "fair value" of the assets or liabilities, due to the fact that any change in the interest market rates involves an "opportunity cost" (positive or negative). In the second case, such change has a direct impact on the amount of interest received/paid, causing cash variances.

The Group has financing in Euros and Polish Zloty all with variable interest rates. The Group considers that changes in the interest estimations has no material impact in its financial position.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected.

With all other variables held constant, the Group's profit before tax is affected through the impact on float rate borrowings, as follows:

Amounts in EUR thousand	Increase/ decrease in basis points	Impact in profit before tax
EUR	45	-2 249
PLN	100	-58
EUR	-45	0
PLN	-100	58

All finance contracts in EUR currency have floors clauses to the index so a reduction in the index value will have no impact to the Company.

Exchange rate risk

The exchange rate risk is the risk of the fair value or cash flows of a financial instrument varying as a result of changes in foreign exchange rates.

The internationalization of the Group forces it to be exposed to the exchange rate risk of the currencies of various countries. The group is exposed, through the investments in subsidiaries, to the following currencies, - PLN and RON.

To quantify the sensitivity to currency risk, taking 2021 data, an average depreciation by PLN and RON currencies of 5% in a full year, ceteris paribus, would have an impact of approximately 1% on the Group's consolidated profit.

Commodity price risk

The Group's glass container operations require a continuous supply of significant amounts of energy, mostly natural gas and electrical power. Adequate supplies of energy are generally available at all of the Group's manufacturing locations. Energy costs typically account for 20-30% of the Group's total manufacturing costs, depending mainly on the energy price can be very volatile as they depend on several uncontrolled factors like, oil and exchange rate fluctuations, inventories and weather conditions among other. The changes in the prices of energy can have a significant impact in the cash flow of the company and in its operating results.

In each country the Group has agreements with the suppliers to guarantee the continuous supply of energy.

The Group follows closely and actively the energy markets to access its evolution and take decisions on how to be processed, the Group has revised its policy and started to hedge part of its energy consumptions due to the high volatility and impact of the energy prices.

In 2021, the Group has entered in the celebration of nine contracts of forwards to cover CO2 deficit of the year and future emissions obligations. The agreements are in place as of 31st December 2021. Refer to note 18.

Credit risk

The credit risk is the risk of a third party failing to meet its obligations under the terms of a financial instrument, causing a loss.

The Group is subject to risk in credit with regards to its operating activity, namely with customers, suppliers and other accounts receivable and payable.

The management of credit risk with regard to customers and other accounts receivable is carried out as follows:

- The compliance with policies, procedures and controls established by the Group;
- The credit limits are established for all customers based on defined internal evaluation criteria;
- The credit quality of each customer

is evaluated based on credit risk information received by specialized external companies;
- The outstanding debts are monitored on a regular basis and supplies to the most important customers are usually covered by guarantees.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients.

Additionally, a large number of minor receivables are grouped into homogenous Groups and assessed for impairment collectively. The calculation is based on actually incurred historical data.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclose in Note 10.

Factoring

The credits ceded to factoring institutions without recourse, i.e., the risk of default is assumed by the factoring institution, are derecognized from the balance sheet when the cash advances are received.

The credits ceded to factoring institutions with recourse, i.e., the risk of default is assumed by the Company, are not derecognized from the balance sheet and the risk of default is taken into consideration when determining impairment losses. In this case, the cash advances received are recognized as bank loans.

Reverse Factoring

The Group has "reverse factoring" agreements with financial institutions. These agreements are not used to manage liquidity of the Group, as it remains the payment on the due date of the invoices (on that date the advances are paid to the financial institution by the Group). These agreements did not generate any financial expenses for the group. For these reasons, the amounts of invoices advanced to the suppliers, are kept in Liabilities, as "trade payables".

Liquidity risk

Liquidity risk is defined as the risk that the Group could not be able to settle or meet its obligations on time or at a reasonable price. Due to the existence of liquidity risk, management of liquidity is performed with the objective of maximize liquidity gains and minimize opportunity costs of retaining liquidity on a safe and efficient way.

The Group manages liquidity risk with the following objectives:

Liquidity – ensure permanent and efficient access to funds to fulfill commitments;

Safety – minimize the probability of not being able to fulfill its commitments; and

Financial efficiency – minimize the opportunity cost of retaining excess of liquidity in the short -term.

The Group manages liquidity risk by ensuring the contract of financial instruments and different borrowings facilities with appropriate amounts to the funding needs of each business and subsidiary, ensuring comfortable levels of liquidity.

41. STRUCTURE OF THE MEMBERS OF THE BOARD OF DIRECTORS

- The board of directors is composed of 4 members:
- Rita Mestre Mira da Silva Domingues
- Luis Manuel Pinheiro Mendes
- Thecla Magdalena Anna Kamphuijs
- Intertrust (Netherlands) B.V.

42. FEES PAID TO THE STATUTORY AUDITORS

Audit fees are as follows:

Audit Services	2021 amount	2020 amount
Statutory audit services		
Iberia	101 525	101 525
Netherlands	40 000	40 000
Central Europe	60 350	48 150
South East	132 500	141 500
Total	**334 375**	**331 175**

The amounts disclosed are the amounts agreed for the audit during the reporting period.

During the year the costs of the Group for the external auditor and the audit organization and the entire network to which the audit organization belongs for non-audit services were EUR 116.721, including tax advisory fees of EUR 93.216 (2020: non-audit services were EUR 110.037 including tax advisory fees of EUR 69.750).

43. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

43.1 STANDARDS ISSUED BUT NOT YET EFFECTIVE (EU ENDORSED)

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have impact on the Group.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

43.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE (EU NOT YET ENDORSED)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

44. EVENTS AFTER THE BALANCE SHEET DATE

On the 24th of February 2022 an event took place that can have an impact on the operations of the Group. The war in Ukraine brings more volatility and uncertainty to the markets. BA has no direct exposure to those markets and indirect exposure via exports of our customers is also considered very residual. The main impact can be related with the increased volatility in energy prices which has shown a significant increase after the conflict emerged. According to the last information the group has from its energy and raw materials suppliers there is not expected a shortage of supply.

Independent auditor's report

To: the shareholders of BA Glass B.V.

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements of BA Glass B.V., based in Amsterdam.
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BA Glass B.V. as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and standalone statement of financial position as at 31 December 2021
- The following statements for 2021: the consolidated and standalone statements of profit or loss, changes in equity and cash flows and the consolidated statement of comprehensive income
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of BA Glass B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The annual management report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the annual management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control

Page 3

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 10 March 2022

Ernst & Young Accountants LLP

signed by J. Lodewijks

BA Glass Group

NL
BA GLASS B.V.

100% **PT**
BA GLASS I
Serviços de Gestão
e Investimentos

100% **PL**
BA GLASS
POLAND
Sp. Z O.O.

100% **DE**
BA GLASS
GERMANY
GmbH

100% **GR**
BA GLASS GREECE
S.A.

90.11% **PT**
BA GLASS PORTUGAL S.A.
[own shares 9.89%]

100% **NL**
GLASSTANK B.V.

100% **PT**
MOLDIN S.A.

100% **PT**
BARBOSA & ALMEIDA SGPS, S.A.

99,90% **RO**
BA GLASS ROMANIA S.A.
[own shares 0.10%]

100% **BU**
BA GLASS BULGARIA S.A.

100% **ES**
BA GLASS SPAIN S.A.U.

100% **ES**
BA VIDRIO
Distribución y Comercialización
de Envases de Vidrio,
S.A.U.

100% **ES**
MINAS DE
VALDECASTILLO
S.A.U.

Shareholders Structure

BA Glass B.V. Shareholders	Shares	% Share Capital and Voting Rights
Fim do Dia, SGPS, S.A. Company indirectly majority-owned by the Moreira da Silva family and by the Silva Domingues family	17,064	47.40%
Teak Capital, S.A. Company owned by the Moreira da Silva family	9,468	26.30%
Tangor Capital, S.A. Company owned by the Silva Domingues family	9,468	26.30%
TOTAL	**36,000**	**100%**

BA Group Macro-Structure

Board of Directors

EXECUTIVE BOARD

- Market & Planning
- Investments
- Innovation & Development
- People Development
- Legal
- Finance & Consolidation
- Performance Management
- Quality and H&S
- Information Technologies
- Strategic Procurement

Iberian Division | **Central Europe Division** | **Southeastern Europe Division**

PLANTS

Iberian Division

- Avintes
- León
- Marinha Grande
- Venda Nova
- Villafranca

Central Europe Division

- Jedlice
- Sieraków
- Gardelegen

Southeastern Europe Division

- Athens
- Bucharest
- Plovdiv
- Sofia

Adresses & Geographical Location

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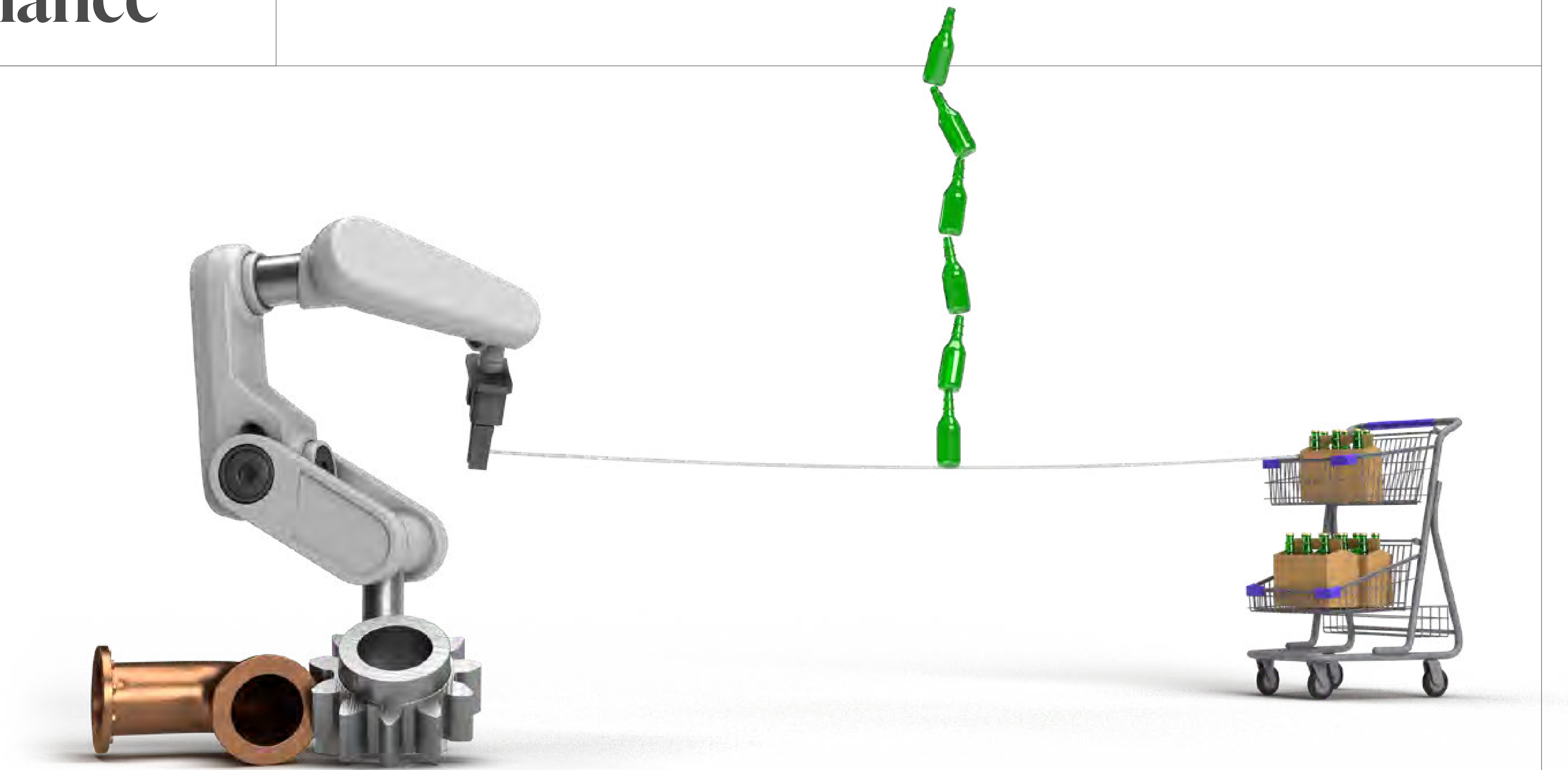
Concept
Design
Illustrations

GOdesign.pt

Looking for **Balance**



Annual Report

2021

BA