

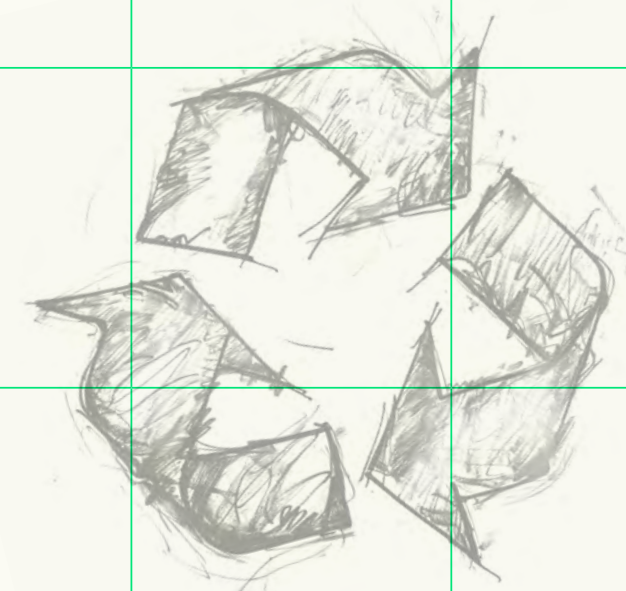
THE **BA** JOURNEY

Exploring and Sharing

ANNUAL REPORT

BA JOURNEY
2023

2023



CLEAN TECHNOLOGY

1912 → 2050

TO CARBON
NEUTRALITY
NEUTRAL GLASS
VALID TILL 2050

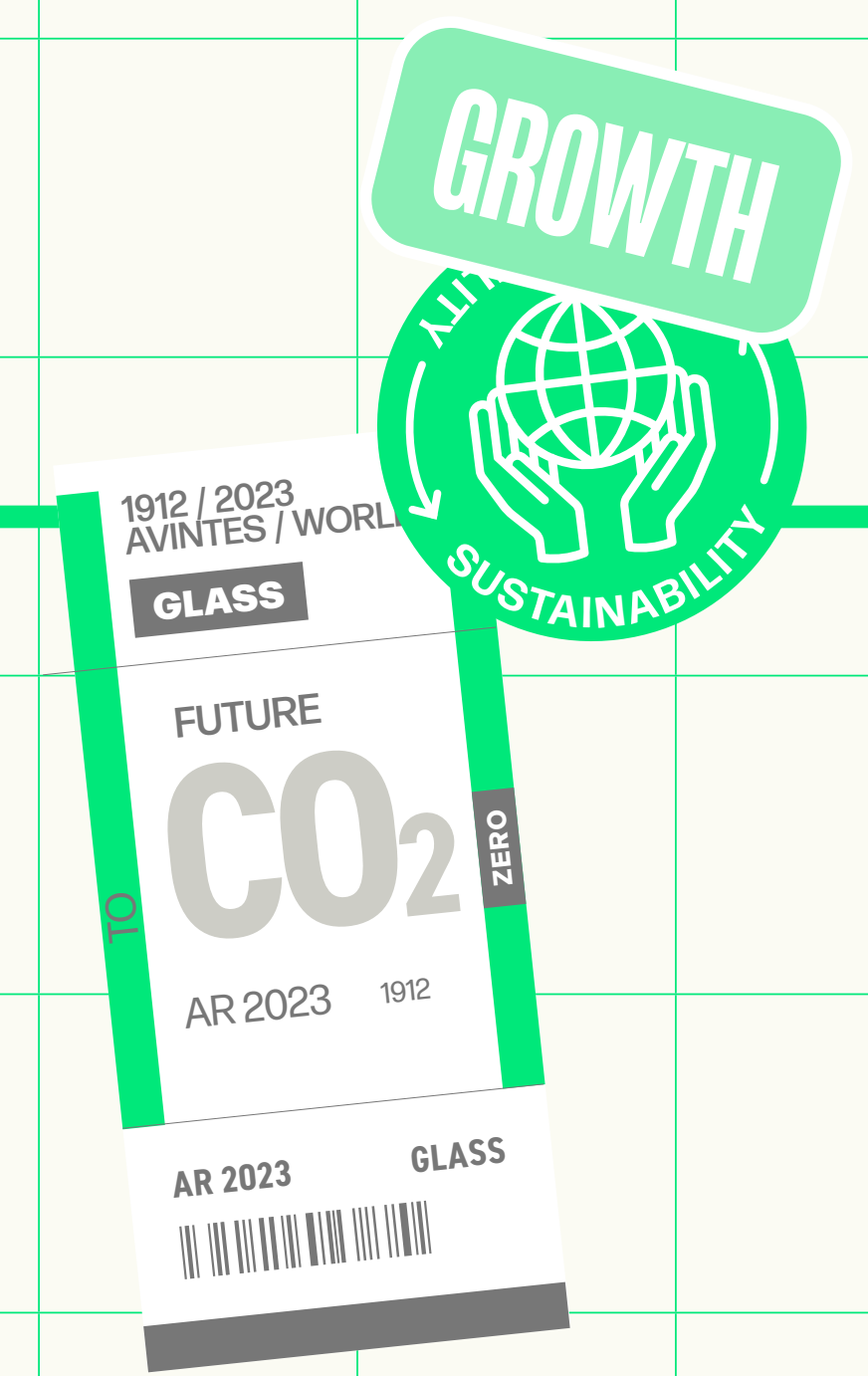
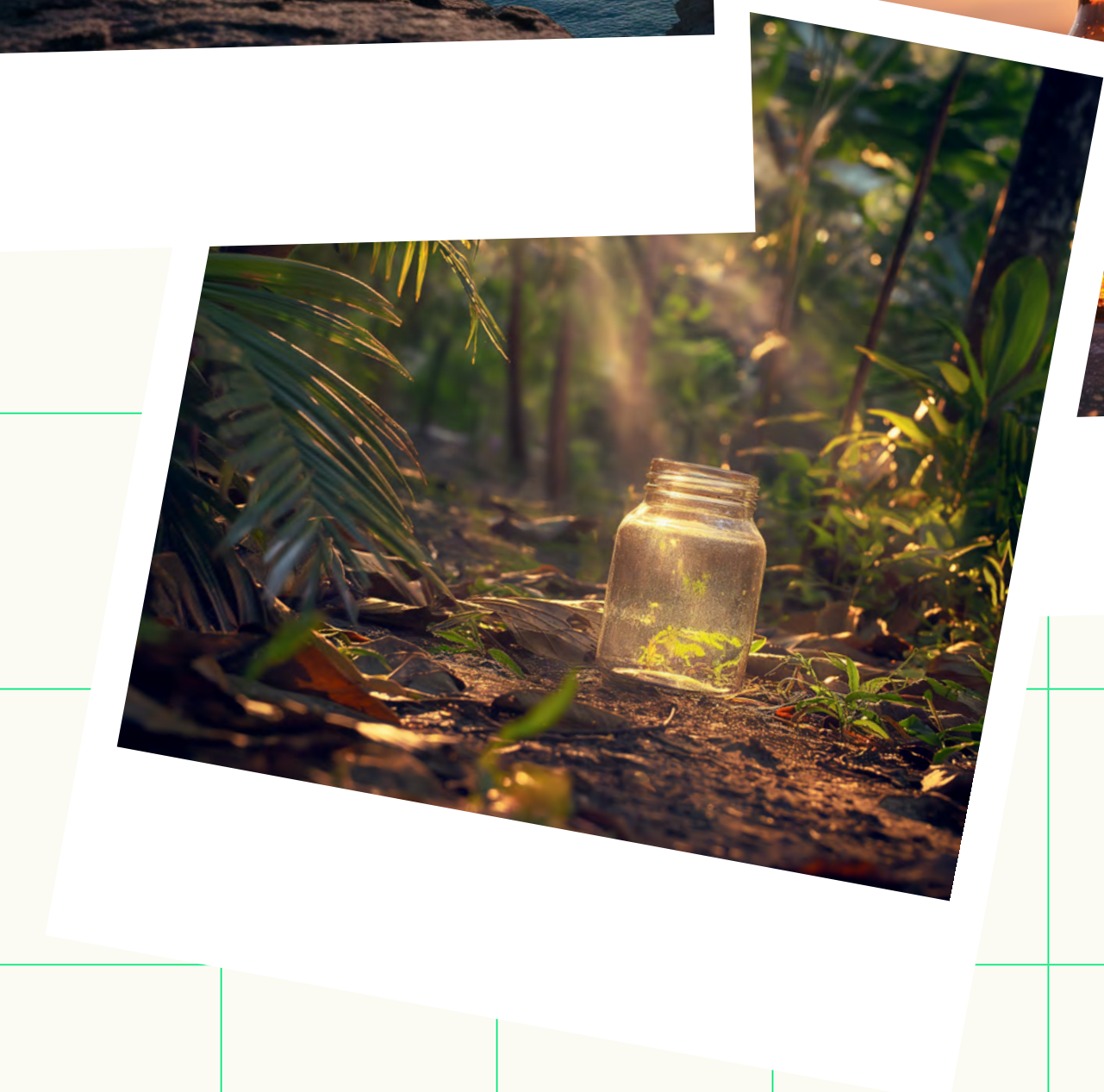
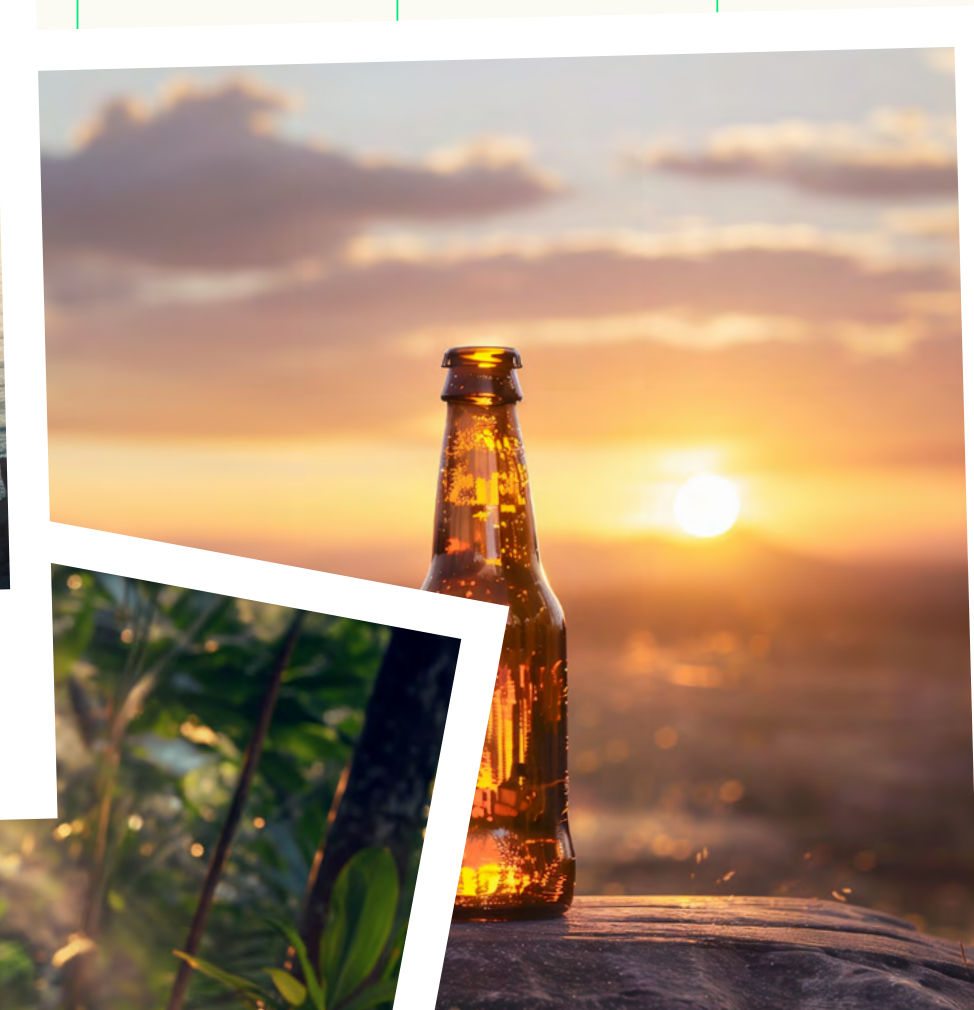


AR 2023



*This has been
a journey
towards*

SUSTAINABILITY



were we
will keep

EXPLORING *everyday*

taking the responsibility
of leaving a great legacy
for future generations

PRESENT

FUTURE



Always SHARING

with the ones
we truly care

LOCALLY



GLOBALLY

REPORT

Content

SUSTAINABILITY

MANAGEMENT

MESSAGE FROM THE CHAIRMAN	KEY FIGURES	INTRODUCTION	GET TO KNOW US	ENVIRONMENT	INNOVATION & TECHNOLOGY	SOCIAL	GOVERNANCE	MARKETS	OPERATIONS	RESULTS	CONSOLIDATED FINANCIAL STATEMENTS	BA GLASS GROUP
6	9	10	14	24	41	45	61	67	68	70	76	111
			What Defines Us What We Do How We Do It Where We Are Our History Our Sustainability Milestones What We Strive	Awards & Recognition Environmental Performance KPI's Carbon Footprint Carbon Neutrality Road Map Recycling Energy Water Packaging Reduction Logistics Air Emissions and Waste Environmental Management System Choosing The Projects We Want To Embrace	Digital Transformation	Our People Health And Safety Learning Together Training Digital Initiatives Celebrations Communication Social Accountability Education Associations Customer Voice Beyond Design & Innovation	Board of Directors, Executives and Committees Code of Ethics Whistleblowing Shareholders Value				Consolidated Statement of Financial Position Consolidated Statement of Profit or Loss Consolidated Statement of Comprehensive Income Consolidated Statement of Changes in Equity Consolidated Statement of Cash Flows Notes to the Consolidated Financial Statements	BA Group Macro-Structure Shareholders Structure Adresses & Geographical Location Commercial Offices

MESSAGE FROM THE CHAIRMAN



To all stakeholders,

For the third year running our industry faced an extremely eventful and volatile year. High inflation and interest rates impacted severely the available income that consumers had to spend on non-essential goods and services, which impacted the demand for glass immediately after a period of glass scarcity that the value chain had reacted too by increasing stocks. The cumulative effect was dramatic and for the first time in more than two decades, BA Glass was forced to reassess furnace investments, postpone furnace start-ups, and stop lines. As a consequence, we first lived through a period in the beginning of the year with reasonable demand and consistently decreasing energy costs, allowing us to reach record levels of profitability and partially offset the periods of lower margins in the previous two years. This period of recovery was short lived and from the third quarter onwards we experienced, declining sales volumes, prices, and production. For the full year results were still globally very positive reaching record annual EBITDA and EBIT results.

During 2023, an in-depth strategy revision exercise was conducted leading to increasing clarity on 'How to win'. We rely on 3 main strategic pillars: commercial excellence, operational excellence, and M&A, supported by sustainability, digitalization, and talent development. Partially as a result of the work of previous years, but also as a result of additional clarity on target expansion markets and value chain segments, we were then

able to conclude several M&A transactions – six years after the last acquisition – and BA Glass reinforced its position as the fourth player worldwide. The first operation was an acquisition of a controlling position in Vidrio Formas, a partnership with the Bernstein family in Mexico. The second transaction was Recresco, a key player in cullet in the UK and which is fundamental to reinforce our sustainability roadmap. Lastly, BA acquired a polish plant from CP Glass. We are excited to build a new journey with all of them.

At BA, we believe that glass is the most beautiful, healthy, and sustainable packaging material that will reinforce its clear lead as the container material of choice for our clients and their customers. Last year, I already shared with you that BA Glass defined ambitious targets for its carbon neutrality roadmap for 2030 and the goal of being completely carbon neutral by 2050. It's only possible to reach such difficult goals with a continuous investment. This incessant drive to lead carbon reduction in our sector has resulted in our company being again awarded an "A List" rating by CDP – one of the few out of over 21.000 companies and the only one in our sector to achieve an 'A' score. BA Glass was also distinguished, for the first time, by the World Finance Magazine as the Most Innovative Company in the Glass Packaging Industry and, for the fourth year in a row, as the Most Sustainable Company in the Glass Industry.



PAULO AZEVEDO

Chairman

Sustainability remains a central topic of our discussions with customers. To support these discussions, several Customers' events were organized to share our sustainability roadmap, glass knowledge and innovation approach. The most important event took place in Paris with the latest edition of The Glassberries. In 2023 year, this design event highlighted Re-use challenges and innovations. All of these efforts associated with commercial excellence were rewarded with a 31 NPS assessment of BA Glass by our customers. This was the third best score in the last 10 years which we were extremely pleased with given the stressful situations the whole value chain underwent in the last three years.

In BA Glass, we know, that we must make our operations more sophisticated, more digital and more automated not only to increase efficiency but to win at attracting the best talent. Because of that, we continued to break industry paradigms looking for new solutions throughout our operations. We work on the assumptions that fully automated "lights-out" plants will one day be possible. We have been consolidating our digitalization knowledge and completing successful pilots which can be profitably rolled out to other operating facilities. Several industrial cases using data analytics and predictive capabilities are already in operation with significant results in efficiency and quality. It is our strong belief that manufacturing digitalization will be the foundation of BA Glass's future operational excellence.

At BA Glass we believe that what makes us different is the way that our people live our values – the BA Way. With our growth and with last years restrictions to presential meetings, we understood that 2023 was the year to reinforce the intensity and the scope of training on cultural matters to ensure our values are lived pervasively.

In 2023 we assessed our Social Climate through a survey with 99% of participation rate. For the first time, it included a group of questions on Diversity Equity and Inclusion with an average result of 7,22 in a 1 to 10. The best score was achieved by the Bucharest plant and the lowest by the Marinha Grande plant.

This very difficult, challenging but also enthusiastic year was also the last year of mandate of our CEO, Sandra Santos. In her 10-year tenure as CEO, Sandra led the company through an impressive streak of profitable growth having more than tripled both turnover and EBITDA whilst still allowing for very relevant dividend payout ratios. Above all, this was not achieved in easy economic times or based solely on existing recipes for success. To mention only the most obvious, the company had to navigate through the heavy disruptions of the COVID pandemic and the energy crisis and devise and implement winning strategies for digital transformation and sustainability with the afore mentioned successes to date. The Board of Directors has been extremely impressed with her leadership, inspiration, perseverance and passion for challenges and we are delighted that Sandra has accepted to continue to serve on our Board as a non-executive director.

I have personally thoroughly enjoyed working side by side with her throughout our common mandates. Sandra always had the personal confidence to pick my brain on any matter she saw fit,

and express her doubts, without any concern for turf protection or showing any kind of weakness and, in the end, there was never any matter, however complex, for which she had not thought of at least one possible solution.

The final measure of the success of a CEO is always the state of the company he or she leaves behind and the conditions for future success. In this respect, I would like to point out the recent acquisitions which are very important basis for future geographic growth, reinforcement of one of our main regions and strengthening our key leadership in sustainability. Equally important has been all the work in developing and promoting her team and, with them, developing the teams reporting to them.

As a result, the Board, the Board Remuneration and Nomination Committee and shareholders had no doubt that Sandra’s successor should be chosen from a number of potential internal candidates.

We have worked together on selecting Tiago Moreira da Silva to become CEO and Board member of BA Glass. Tiago joined BA in 2008 as food key account manager, and since then went through a remarkable career, becoming the CMO in 2016, just before the expansion to the Southeast in 2017. As member of the Executive Board, Tiago also led the Iberian Operations, and recently, the Central Europe Operations. Tiago will now lead the Executive Board, driving the company into a new and innovative stage of growth and transformation. The Board, the Board Nomination and Remuneration committee and our shareholders are very confident Tiago will excel in his new role with the strong support of the Executive Board.

I could not end the year without sharing important news about BA’s social commitments. We have further developed

our contribution to the improvement of Education in the countries where it operates by continuing to invest in BA’s Glass Seeds initiatives.

As part of this set of initiatives, we can highlight the reinforcement of BA’s partnerships with 42 (Coding) School and, this year, for the first time, we were able to create trainee projects with their students. We are especially proud of this because these programs have proved to be very successful in reskilling at several locations.

Also worth highlighting is the reinforcement of Dual Learning Projects which combine theoretical learning with the practice of a real profession. Our Dual-Learning initiatives are long-term project where students stay with us for 3 years dividing their time between learning at regular school and at our facilities. We are glad to share that we created two more Dual Learning Projects: the first edition in Jedlice Plant (Poland) and a second course in Bucharest’s plant focused in electronics.

We are extremely grateful to the entire BA Glass team, now close to 5000 people, for their dedication, commitment, and inspiration and for the trust of all our partners and customers. They were all fundamental for the success of our journey and we feel equally bound to serve them to the best of our abilities.



CARBON NEUTRALITY



THIS IS OUR PATH...

ENVIRONMENTAL, SOCIAL AND GOVERNANCE KEY FIGURES



		UN	2023	2022	2021
ENVIRONMENT*	CO ₂ emissions (Scope 1 and 2)	Ton CO ₂ e	971 717	975 306	1 015 563
	CO ₂ emissions (Scope 1 and 2)	Ton CO ₂ e/ton produced	0,390	0,390	0,410
	CO ₂ emissions (Scope 1, 2 and 3)	Ton CO ₂ e/ton produced	0,663	0,667	0,682
	Total waste	Ton	367 900	366 849	389 213
	Waste recycled	Percentage	99	99	98
	Water consumption	Cubic meters	940 375	925 284	810 401
SOCIAL*	Average training hours per employee	Hours	38	32	32
	Community spending	EUR	274 850	236 073	402 137
	Employee turnover	Percentage	12%	13%	10%
	Accidents with loss of time	# of accidents	25	35	17
GOVERNANCE	Average tenure of the Board	Years	8,9	7,9	6,9
	Female Board members	Percentage	27,3%	27,3%	27,3%
	Females in management	Percentage	44,4%	44,4%	33,3%
	Independent Board members	Percentage	63,6%	63,6%	63,6%
	Shares owned by Board members	Percentage	42,1%	42,1%	42,1%

*BA Europe Figures

CONSOLIDATED KEY FIGURES

K. €	2023	2022
Turnover	1 522 920	1 431 368
Operating profit (EBIT)	433 253	225 957
Financial results	-22 221	-14 918
Net income	380 365	176 402
Cash flow	480 493	335 691
Operating cash flow (EBITDA)	533 381	322 783
Sales / Employee	306,6	356,8
Net assets	2 395 179	2 046 424
Equity	917 006	837 762
CAPEX	202 577	120 083
Net debt	545 379	573 405

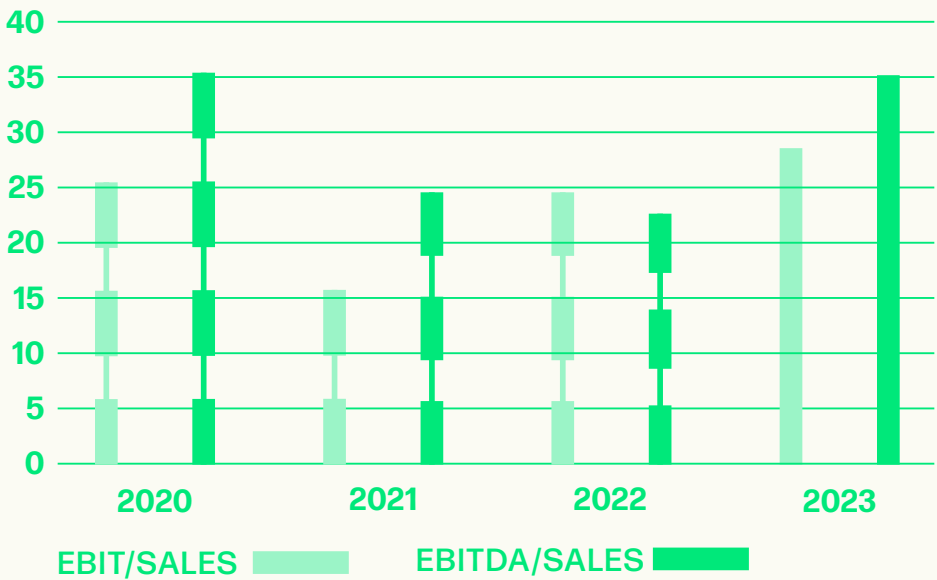
	2023	2022
Net tangible fixed asset turnover	1,60	2,27
Net debt / EBITDA	1,02	1,78
Interest cover ratio	13,1	22,9
EBITDA / Sales	35,0%	22,6%
EBIT / Sales	28,4%	15,8%
Number of employees	4 967	4 012

EBITDA is calculated on the basis of net income adjusted for provision for income taxes, financial result, discontinuation of hedging agreements, depreciations and amortization of intangibles.

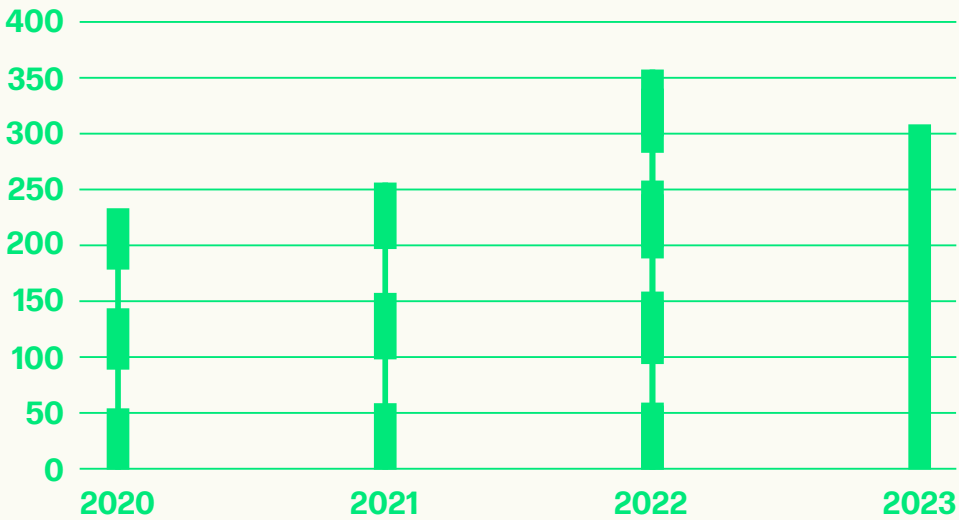
EBIT is calculated on the basis of net income adjusted for provision for income taxes, financial result and discontinuation of hedging agreements.

Net tangible assets turnover =
Turnover / Net tangible assets

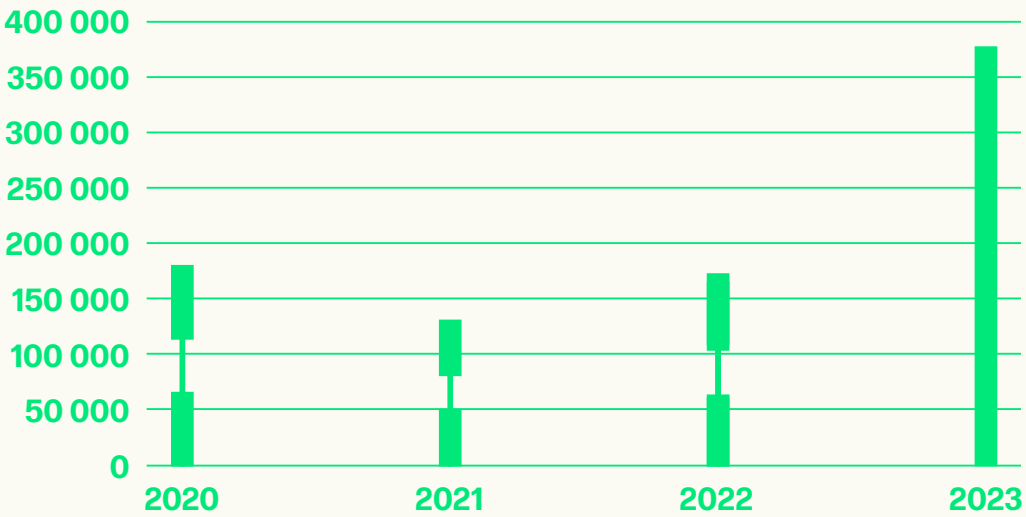
EBIT / SALES AND EBITDA / SALES (%)



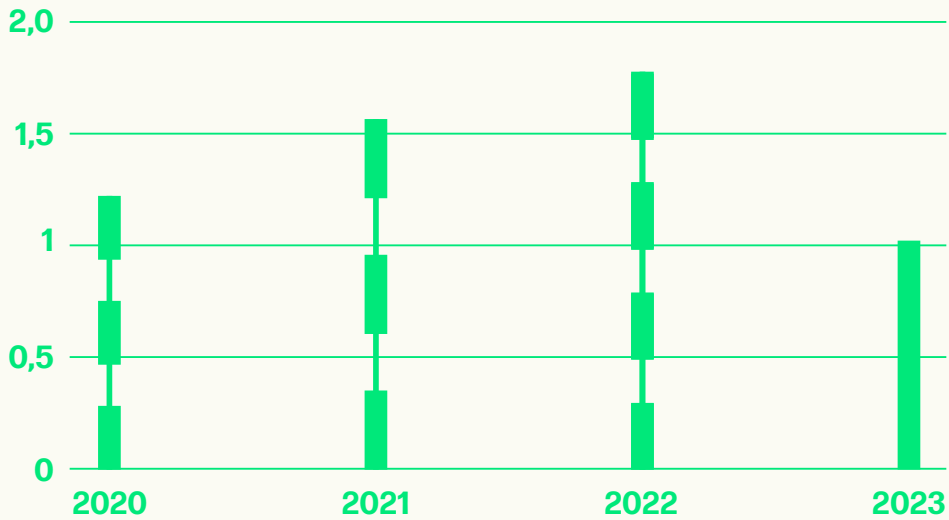
SALES PER CAPITA (K€/FTE)



CONSOLIDATED NET INCOME (K€)



NET DEBT / EBITDA



INTRODUCTION



In 2023, the prevailing reality was uncertainty, a common characteristic of the last 3 years. It proved to be a challenging year that required resilience but also flexibility, quick decisions, and the implementation of numerous short-term tactics.

The year began with a moderation in headline inflation, offering some relief to households and businesses. Decreasing commodity prices and alleviating supply constraints were driving this trend. However, tackling persistent core inflation proved to be more challenging. Central banks across Europe significantly tightened their monetary policies by increasing interest rates, a key measure to control inflation, highly impacting the mortgages loans interest rates and consequently reducing the available income of the families.

As the year progressed, we observed that countries relying on energy-intensive industries were having slower growths than those more dependent on services and tourism. Consumers were adapting their behavior, maintaining their travel activities but reducing expenditures elsewhere, and in particularly, within the on-trade channel and being more price than brand oriented in the off-trade channels.

Today, we increasingly hear about Europe experiencing a soft landing but it is much more spread than just Europe, affecting the largest economies, from Germany to China, and also USA. The interplay between tighter macroeconomic policies and the rebound of real income, coupled with lower inflation and rising wages, has resulted in modest growth amidst the persistent threat of recessionary pressures.

In the glass packaging industry, 2023 marked another period of significant challenge. The abovementioned macroeconomic conditions precipitated diminished consumer demand and evolving trends, stemming from a reduced inclination to spend. Foreseeing the inevitable increase in glass prices for 2023 and a potential shortage on supply, consumer packaged goods companies proactively increased their purchases during the last part of 2022. Throughout 2023 there was a strict inventory control, and we observed a high decrease in their stock levels over the course of the year, adjusting to a weaker demand for their products. Many well-known brands sold much less volumes than the previous year, relying on their sales price increases for the recovering of margins lost in 2022. Private label segment gained market share in some several European markets, fulfilling the families feeding needs at much lower prices. These facts made European glass packaging industry reduce production by 2.9% in the first half, with expectations of a more pronounced decrease in the latter part of the year.

Anticipating 2024, the outlook is more optimistic, propelled by an expected favorable macroeconomic environment set to revitalize consumption patterns to a more customary state. Also, the decrease in costs, including the glass prices, will enable food and beverage producers to recalibrate their pricing strategies, thus encouraging consumption and reinstating typical inventory cycles.

Our operations in 2023 were compromised by the necessity of halting production lines, an unprecedented measure in the recent history of BA, not even undertaken during the pandemic crisis. This decision was taken in the last quarter of the year, with stoppages executed with precision, allowing for the fast resumption of certain lines, which some had already occurred in the beginning of 2024.

BA's decarbonization roadmap has been strengthened and remains on course despite encountering significant challenges throughout the year. **It is remarkable that BA was awarded for the second consecutive year with a “A” rating by the CDP (Carbon Disclosure Project), continuing to be the sole representative of glass packaging producers attaining this distinction in a shortlist of around 350 companies worldwide.**

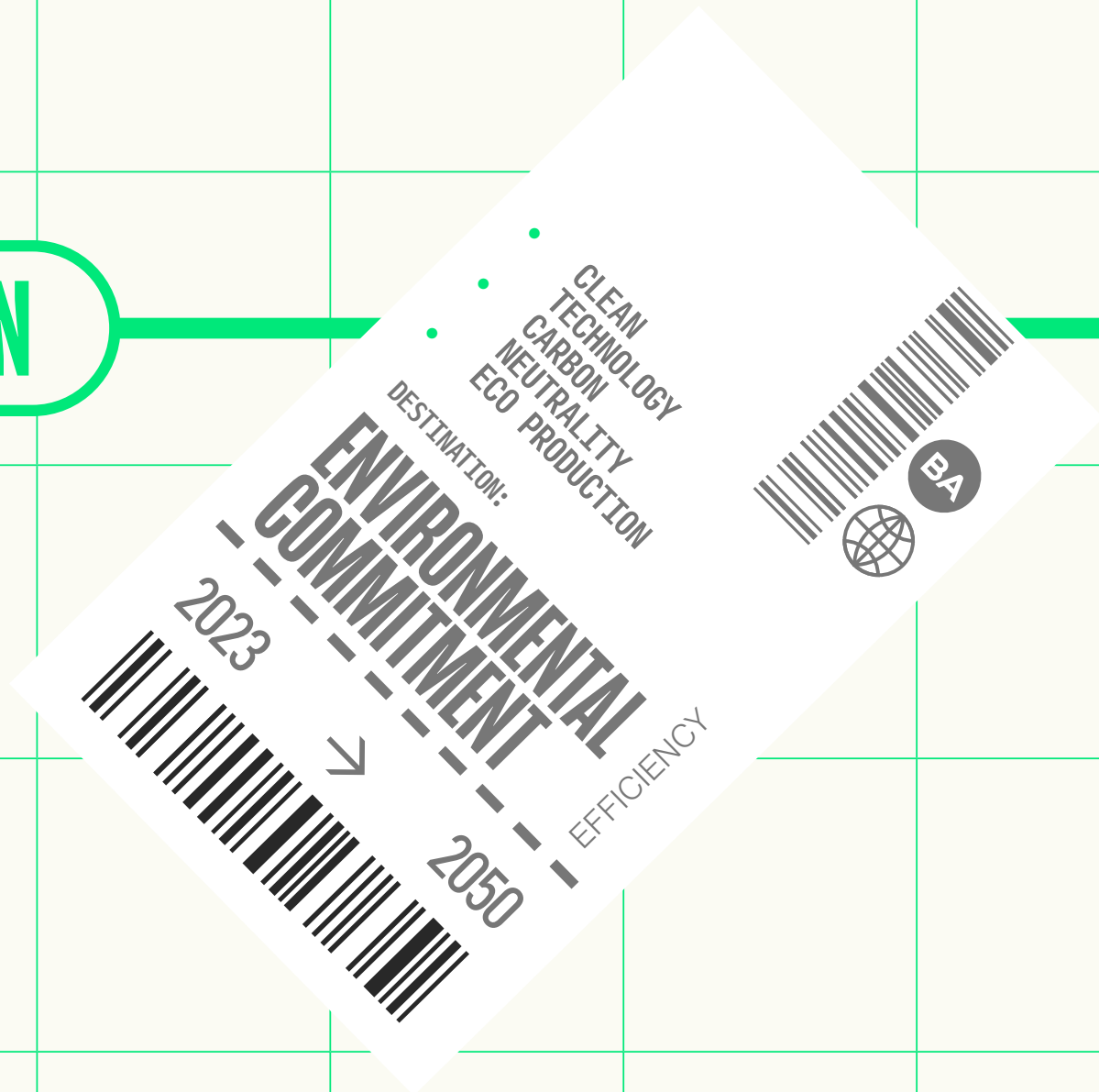
Operating below full capacity raised additional efforts to meet our sustainability targets. With reduced production, CO₂ tons emitted slightly declined (-0,4%), and we could maintain the relative emission levels per ton of glass produced (0.390). This ratio was also impacted by the cullet (recycled glass) scarcity witnessed in all the markets where BA operates. The increase in production efficiency and the usage of new raw materials to replace soda ash offset these effects.

Once again, we have successfully ensured the utilization of 100% renewable electricity, effectively eliminating scope 2 emissions. Concurrently, we have signed an additional Power Purchase Agreement (PPA) for green energy, resulting in an annual avoidance of over 20,000 tons of CO₂ emissions when combined. We expanded the photovoltaic capacity (additional 20% installed capacity) at our facilities, saving more than 4,500 tons of CO₂ yearly, and we signed a memorandum of understanding as off-takers in a green hydrogen project.

Actions to mitigate scope 3 emissions are currently in progress, with a strong emphasis on transportation emissions upstream and downstream. We are challenging and cooperating with suppliers in various promising initiatives.

The lightweight program implemented at BA continued to yield significant reductions in glass per bottle or jar, resulting in the mitigation of over 1,000 tons of CO₂ emissions in 2023. The

INTRODUCTION



production of lighter 175 million units (considering only those developed in the last 12 months) resulted in less 3,000 tons of glass produced, underscoring the substantial impact of the program. Notably, 20% of recently introduced products adhere to the lightweight design principle.

In 2023, BA Glass was recognized as the most innovative company in the glass packaging industry by the World Finance Magazine, underscoring the commitment to innovation and sustainability. Despite operational challenges, the company prioritized innovation, introducing 56 new products and strengthening customer relationships. However, the success rate of new projects (27%) was impacted by extended time-to-market and demand slowdown. Looking ahead to 2024, BA Glass aims to continue opening new projects while ensuring their successful completion, including those initiated in 2023. Our vision of a “lights-out plant” industrial operation was reinforced in 2023 by various activities on that field, reflecting our aim to be at the forefront of the industry. The dedicated team was increased in resources available, to disrupt manufacturing not only with advanced automation, but mainly with artificial intelligence (AI). Enhanced monitoring, analytics, and automation are optimizing our operations, driving efficiency, accuracy, and productivity. Advanced analytics and AI are employed to transform manufacturing daily practices and processes. Standardization of advanced process control tools and automation initiatives implemented across divisions, supported by the BA MeX IoT platform, ensure real-time visibility, fostering a data-driven culture and decision making, which finally will enable a close-loop production process.

In a “lights-out” vision we will be building a safer environment. The culture of zero accidents remains a primary focus, firmly entrenched as a top priority within our organization. The concerted activities of our teams throughout 2023 yielded better results, notably evidenced by a substantial reduction in the number of accidents. Our commitment to fostering safety underscores our relentless pursuit of industrial excellence, firmly believing that the attainment of such a goal is within our capacity.

Along 2023, we hosted several sessions for our customers, known as "Glass Secrets," during which we provided comprehensive insights into glass production processes from melting to logistics, and we covered crucial topics for their businesses on glass packaging innovation and decarbonization. Additionally, we inaugurated new furnaces at both the Sieraków and Bucharest plants, showcasing to our customers the successful outcomes of our disruptive investments. Our commitment to sustainability remained unwavering, as evidenced by our focus on investing in more energy-efficient furnaces, the development of the Eco

Furnace project, and the implementation of technologies to capture residual emissions. **Even in a demanding year, we had our biggest capital expenditure ever, with 203M€, 68% higher than 2022, representing 13% of sales (8% in 2022). In a year with lower sales volume, it is challenging to uphold investment plans, but our environmental and operational digitization commitments prevailed.**

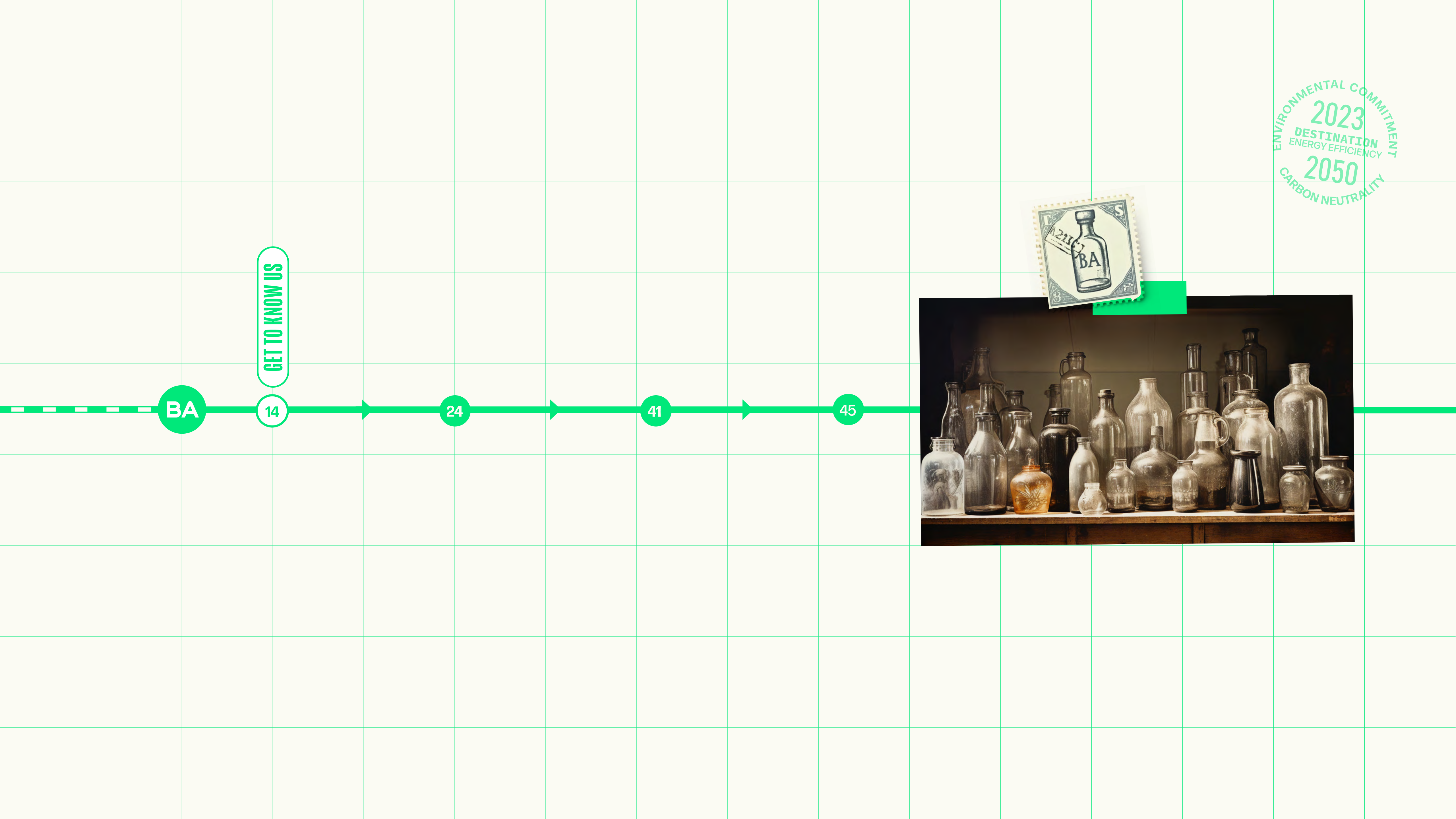
In both 2021 and 2022, BA experienced a notable decline in profitability, with EBITDA margins dropping by 10.8pp and 12.7pp respectively compared to 2020. The energy crisis led to unprecedented industrial costs, leading to questioning the company's future investments. Despite efforts such as implementing quarterly surcharges and raising selling prices in 2022, EBITDA continued to degrade. Part of those two years losses was recovered in 2023 when the EBITDA was of EUR 533.4 million, a 12.5 p.p. increase from the previous year, reaching a normalized EBITDA margin.

2024 heralds a transformative period for BA. With recent acquisitions in UK, Mexico and Poland, BA’s footprint and commitments have expanded substantially. The acquisition of the Mexican company, Vidrio Formas marks our entry into the Americas, a region where we believe glass is well positioned to become one of the top choices for consumers. Mexico and the United States are rapidly expanding markets and offer ample opportunities for conscientious and sustainable growth. The acquisition of Recresco’s glass recycling business confirms BA’s commitment to providing increasingly sustainable glass solutions by expanding the utilization of recycled glass, a valuable resource for BA and its customers carbon reduction roadmap. Finally, the agreement to buy CP Glass plant, in Poland, will allow BA to increase its portfolio offering in the Central Europe region a varied offer of glass packaging with new segments and colors.

Again, we are energized to make 2024 a very special year, driven by our continued determination to explore the amazing potential of glass wherever we go! Together with our people, suppliers, customers, authorities, and shareholders, we embark on a new journey! **We firmly believe that combined efforts will magnify our vision of wrapping dreams beyond packaging!**

SUSTAINABILITY REPORT





BA

GET TO KNOW US

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45



ENVIRONMENTAL COMMITMENT
2023
DESTINATION
ENERGY EFFICIENCY
2050
CARBON NEUTRALITY

GET TO KNOW US



+100

Years
of History

13

Plants
8 Countries

70

Countries
Sales

-20% CO₂

Emissions
Than 2020
(scope 1&2)

1,522.9 M€

Sales

28.4%

EBIT
of sales

35.0%

EBITDA
of sales

4,967

People
(FTE)

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

GLASS...

**... is 100%
and infinitely
recyclable.**



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

**... is the safest
material to protect our
health! There is no risk
of harmful chemicals
migrating into food or
drinks that are packed
in glass.**

WHAT DEFINES US

WRAP DREAMS BEYOND PACKAGING

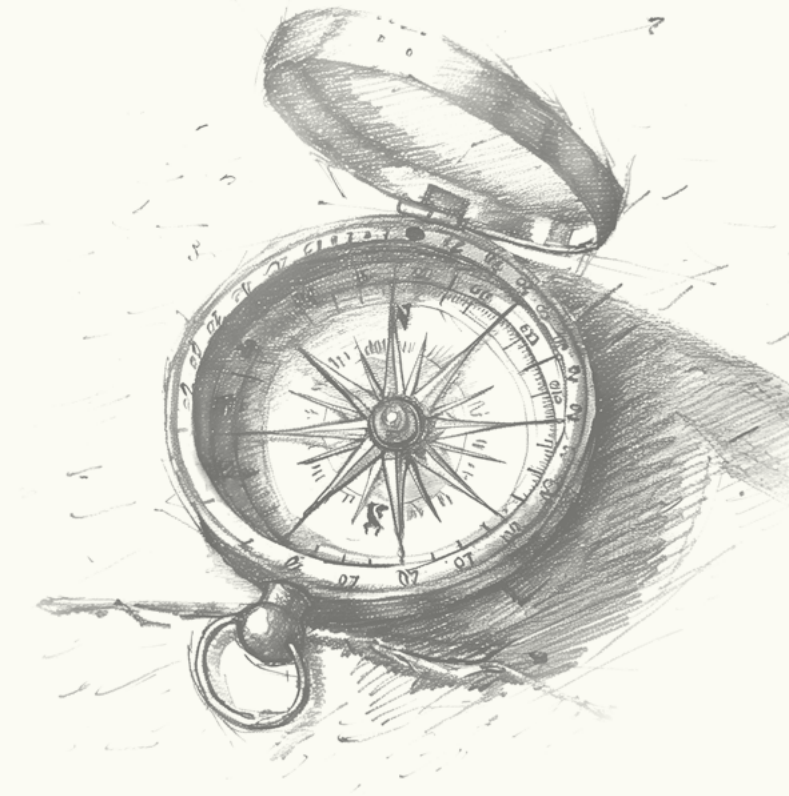
To elevate and magnify (as a gift)...

the never-ending goals not yet achieved...

aiming to do more than just...

what we produce.

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 from us.



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.

WHAT WE DO

+10 BILLION

*Bottles and Jars
per year*

33%

Food

26%

Beer

16%

Wine

15%

Softdrinks

10%

Spirits



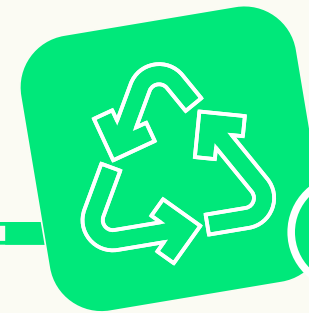
HOW WE DO IT

GLASS PACKAGING PRODUCTION



Cullet treatment

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



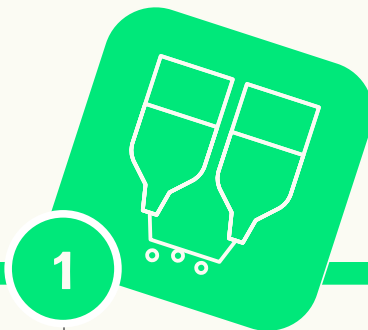
Recycling

The more we recycle, the more sustainable we become. Recycling brings savings in CO₂ emissions, energy consumption, waste and raw materials.



Consumers

BA works closely with its customers to provide safe and unique experiences to the consumers, filled with emotion.



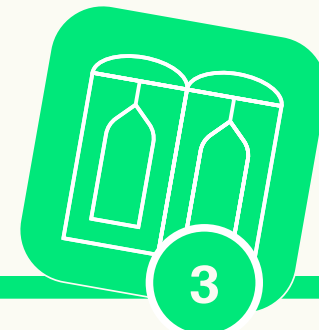
Glass Composition

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 be melted and vitrified. This process uses, on average, 36% recyclable glass, which our cullet treatment plants have processed, ensuring a more sustainable production.



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 point, thermal homogeneity of the entire melted mass must be assured, which is of crucial importance to obtain a quality product.



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 to a final mould located on the opposite side of the machine, where it acquires the product's final shape.



Annealing and Surface Treatment

During the moulding process, the glass is in contact with the walls of the mould, which are at relatively low temperatures. As a result, the outside of the containers is much colder than the inside. The difference in temperature is explained by the poor conductivity of the glass. To overcome this, a thermal treatment called annealing must be carried out. Annealing is the thermal homogenization of the entire glass mass, eliminating any existing tension.



Inspection and Quality Control

Once the annealing process is completed, the containers are transported to the automatic inspection machines. These remove defective containers through several defect-detecting mechanisms.



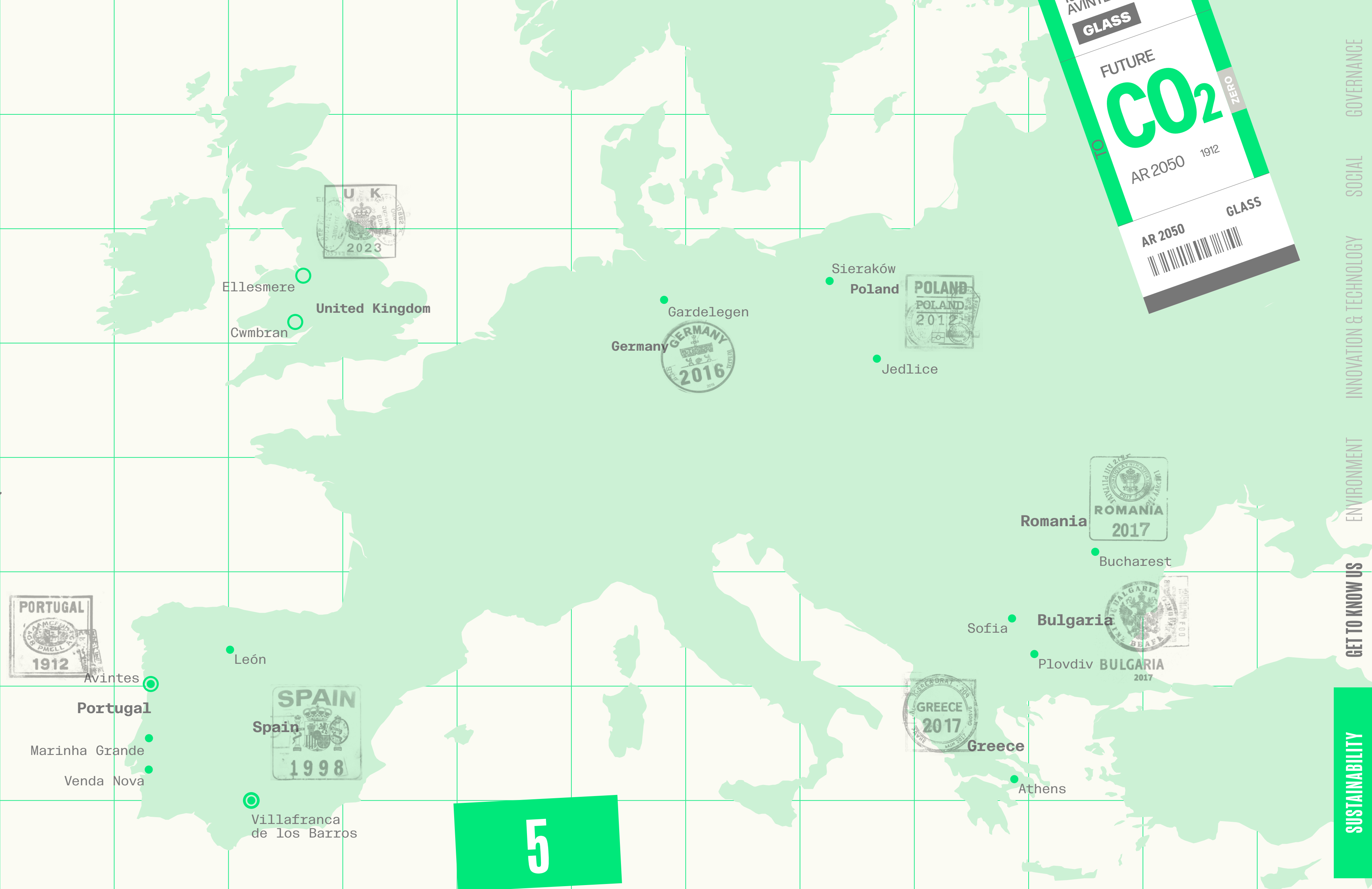
Packaging

At the end of the production line, the containers are packed in layers and piled in pallets. These are then wrapped in plastic film to protect the units and facilitate transport. The next stage is to shrink these packages through a heating machine. The pallets are then ready to be conveyed to the storage area.

WHERE WE ARE

13

● plants in Europe and Americas



5

○ Cullet Treatment Station



OUR HISTORY

1912

Incorporation of
Barbosa
& Almeida

1947

Introduction
of Automatic
Technology

1969

Start of
Operation
at Avintes
Industrial Unit

1993

Acquisition
of CIVE
*Mariúka Grande
Industrial Unit*

1998

Start of
Operation
at Villafranca
de los Barros
Industrial Unit

1999

Acquisition
of Vidriera
Leonesa
*León Industrial
Unit*

2008

Acquisition
of Sotancro
*Venda Nova
Industrial Unit*

2012

Acquisition of
Warta
*Sieraków and
Jedlice Industrial
Units*

2016

Acquisition
of HNG Global
*Gardelegen
Industrial Unit*

2017

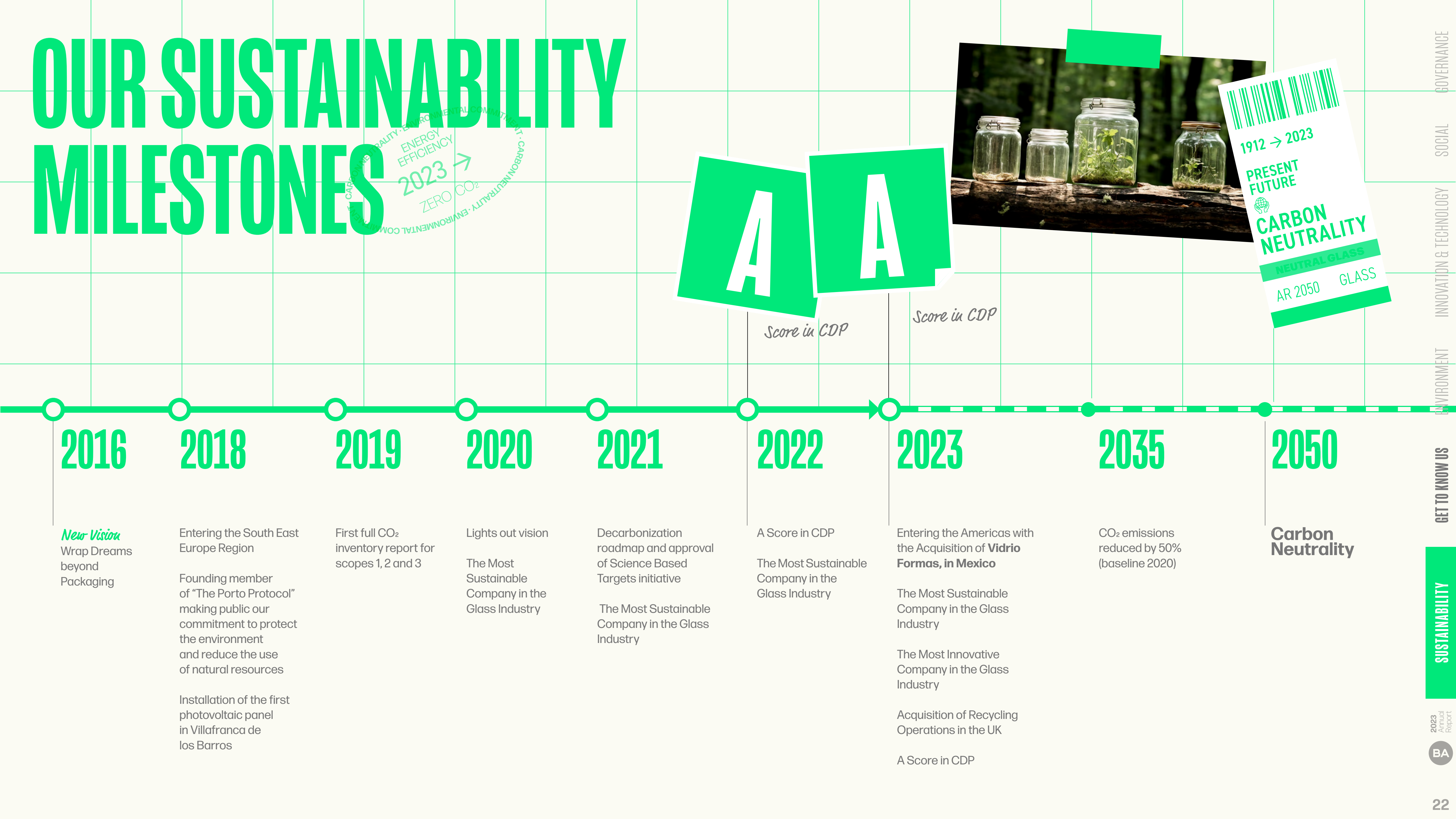
Acquisition
of Youla
*Athens, Sofia,
Plovdiv and
Bucharest
Industrial Units*

2023

Acquisition
of Vidrio Formas
*Lerua de Villada
Industrial Units*

Acquisitions
of Recresco
*Ellesmere and
Cwmbran Cullet
Treatment Industrial
Units*

OUR SUSTAINABILITY MILESTONES



BA STRIVES FOR SUSTAINABILITY



Consumers



Consumers



Shareholders



Communities



Environment

We aim to be the ultimate partner for our Customers, working together to create and innovate their products as we join them on their sustainable journey.

Our commitment lies in providing consumers with experiences through glass while offering them opportunities to actively participate in the recycling journey.

To ensure business continuity is their main responsibility, by supporting continuous investment and modernization of operations, which will lead to the sustainable growth of the company.

Those who make a difference and are the foundation that sustains and makes everything possible and achievable. BA's commitment is to contribute for the development and wellbeing of our people.

BA seeks to develop its activity in a sustainable way. It is challenging to manage and respond to stakeholders' needs without compromising the future.

BA believes that economic growth cannot be dissociated from an impeccable ethical behaviour and the development of local communities.

THE 6 PILLARS

CUSTOMERS

CONSUMERS

SHAREHOLDERS

PEOPLE

ENVIRONMENTAL RESPONSIBILITY

SOCIAL ACCOUNTABILITY

BA's sustainability development strategy combines six key pillars that coexist to preserve the environment and ensure economic and social development.

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

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

When it comes to importance, the supremacy of sustainability is undeniable, going above and beyond everything else, embracing all the aspects of life that uphold human needs.



Costumers



Consumers

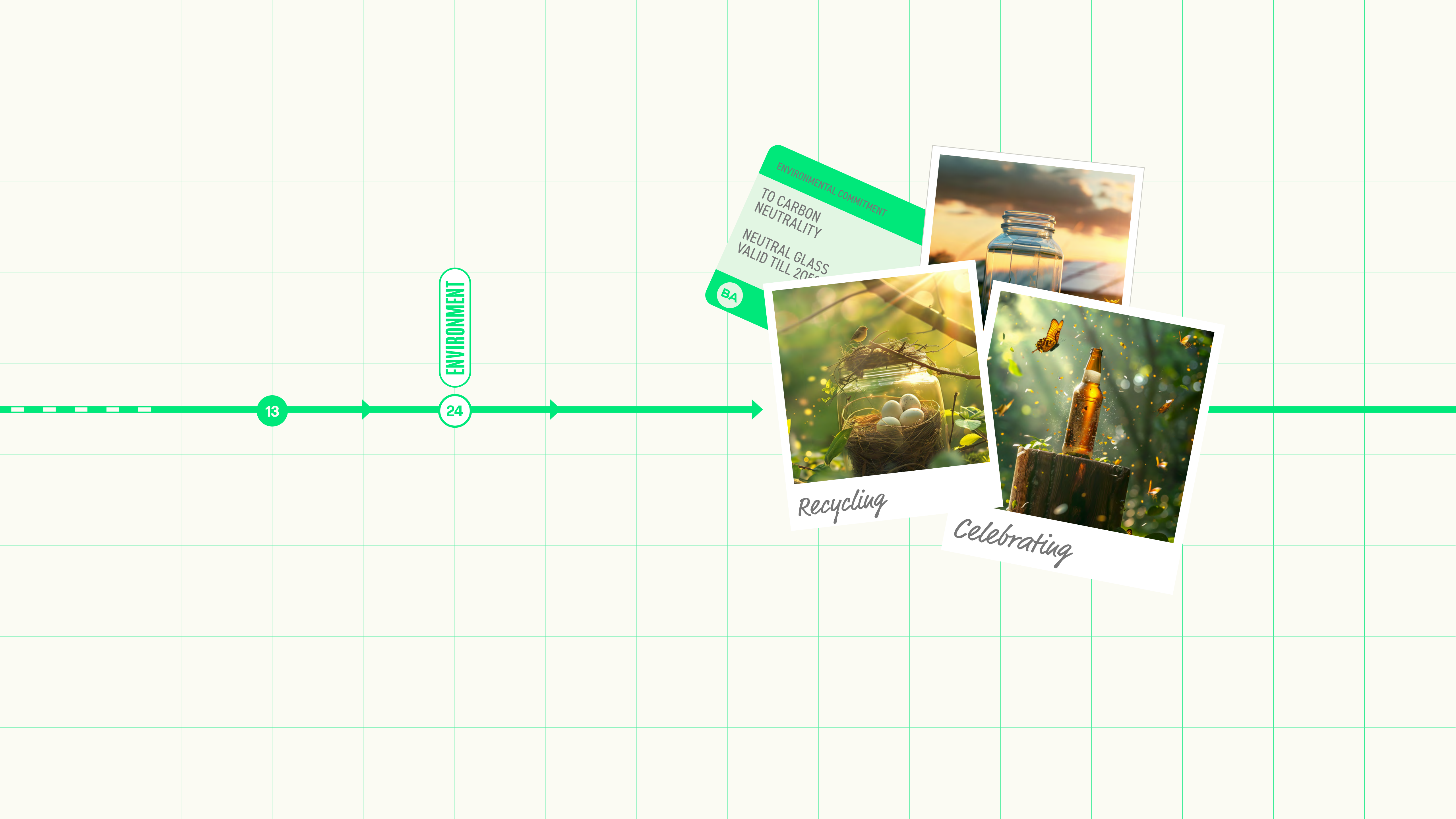


Our Peop



Our People

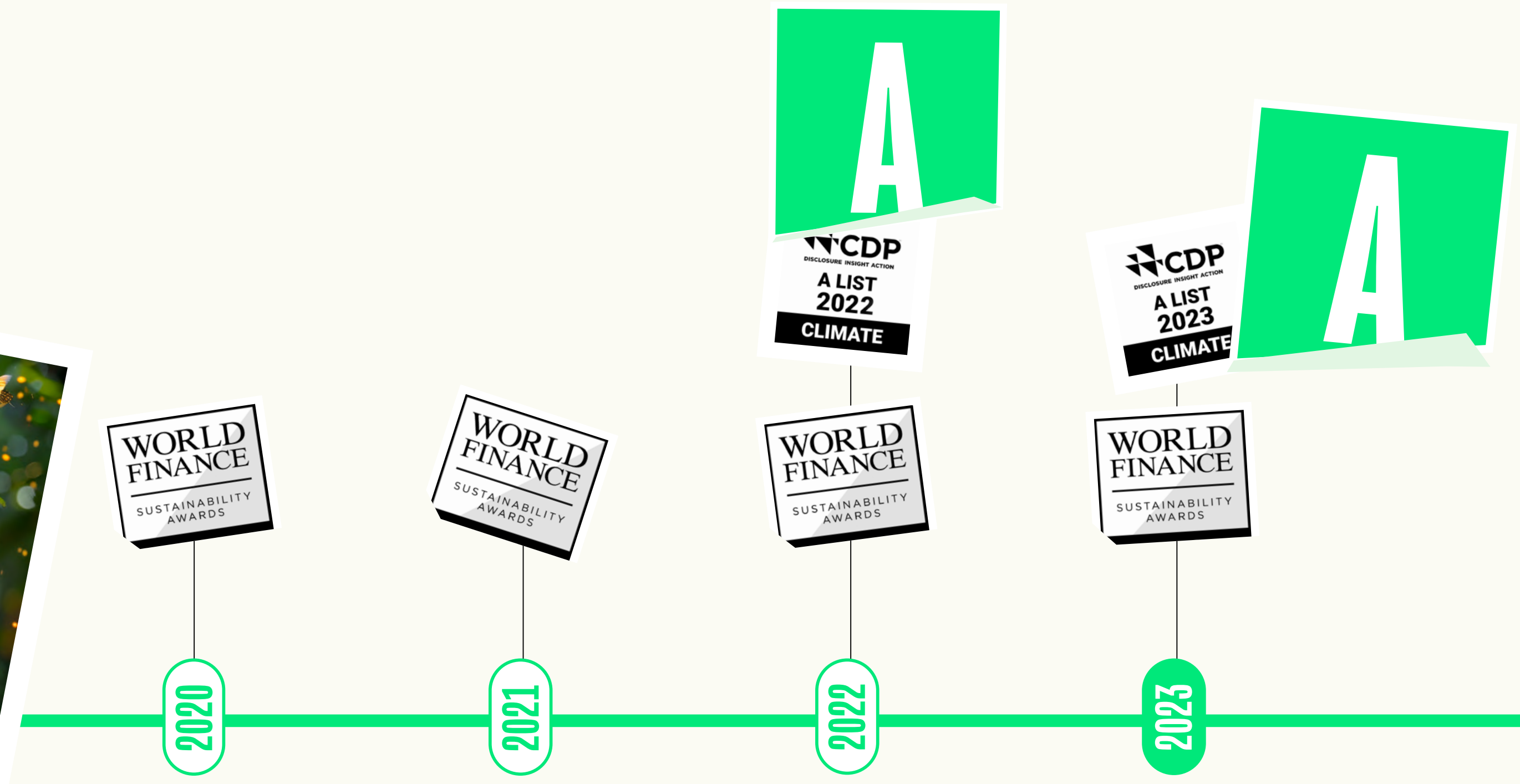




AWARDS & RECOGNITION



The **only** company from Glass Packaging Industry to reach the highest score from CDP



Sustainability isn't just a destination, it's a journey, and we've already set sail. Within BA, environmental consciousness runs deep, evident in both our dedicated workforce and our proactive initiatives. Our commitment to enhancing the sustainability of glass packaging remains resolute. As we navigate this journey, we've already achieved significant milestones, marking our progress with pride and responsibility.

In 2023, BA Glass maintained its 'A' rating from the Carbon Disclosure Project (CDP), a remarkable achievement considering that just under 400 companies worldwide earned this distinction. CDP is a renowned non-profit organization, with over 21,000 companies assessed, that recognizes and evaluates the environmental efforts made across value chains. **Proudly, for the second consecutive year, we**

stand as the sole 'A' representative within the glass packaging industry. Yet, we anticipate that soon, other glass packaging producers will join us, further affirming glass as the most sustainable packaging solution.

BA elevated its Ecovadis rating from Gold to Platinum, thereby joining the exclusive list of the top 1% of companies with this prestigious classification. Ecovadis stands out as the leading index for assessing business sustainability, focusing on Environment, Labor and Human Rights, Ethics, and Sustainable procurement.

In yet another remarkable achievement, BA has once more clinched the title of 'Most Sustainable Company in the Glass Industry' for the fourth consecutive year at the World

Finance Sustainability Awards 2023. These honors not only inspire our teams but reaffirm BA's standing as a trusted entity among all stakeholders. They underscore our leadership role in steering the glass packaging industry towards a sustainable future.

ENVIRONMENTAL PERFORMANCE

CARBON NEUTRALITY

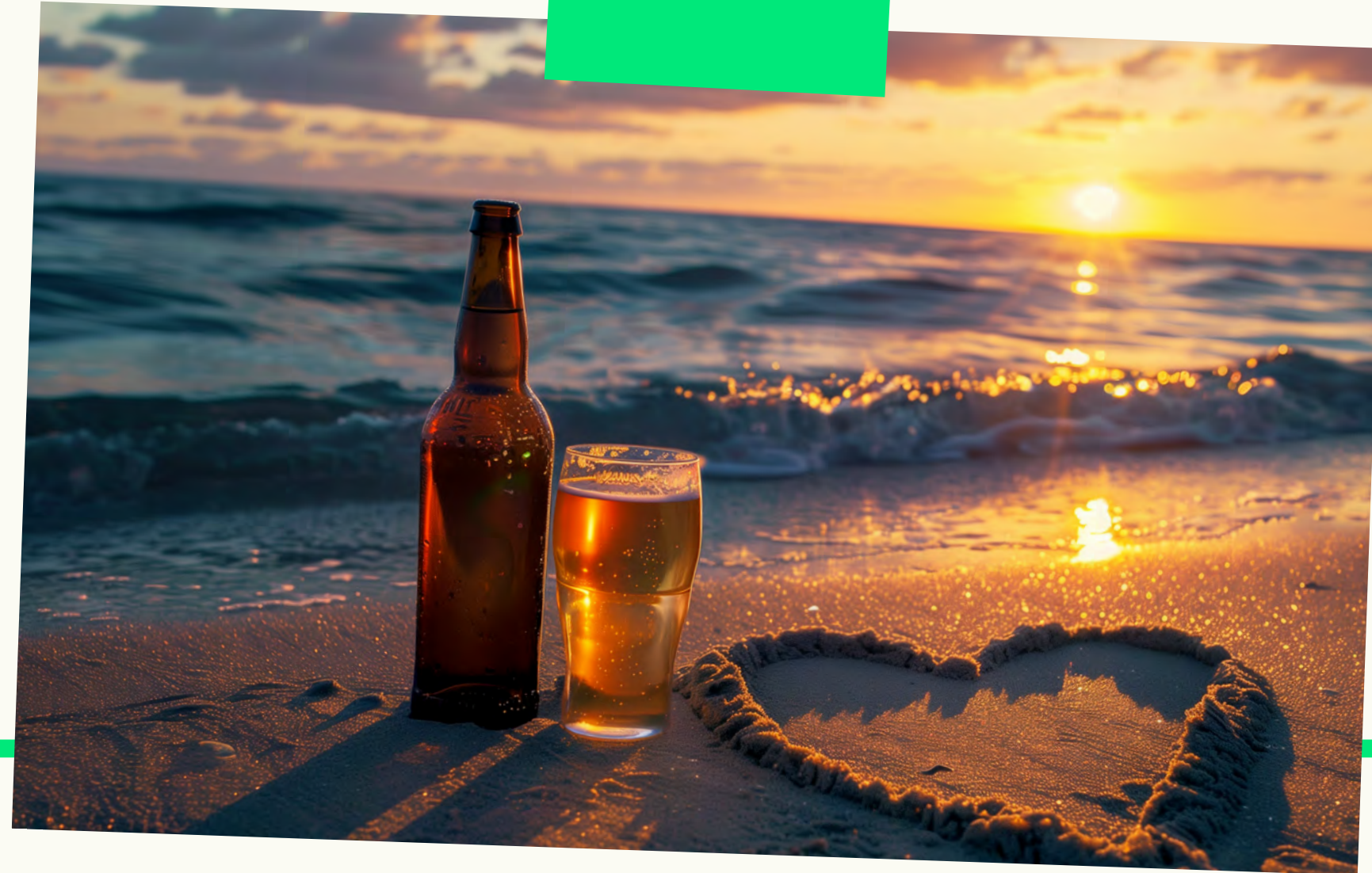
KPI

	2023	2022
Electricity from renewable sources (% total electricity)	100,0%	100,0%
Natural gas share in our specific consumption (%)	79,5%	79,7%
Water consumption (m3)/ ton produced	0,349	0,330
Cullet usage rate	35,7%	36,5%
CO ₂ e emission tons (scope 1&2) / ton produced	0,390	0,390
Plastic kg consumed / ton produced	2,68	2,62
Cardboard units / ton produced	5,40	5,94

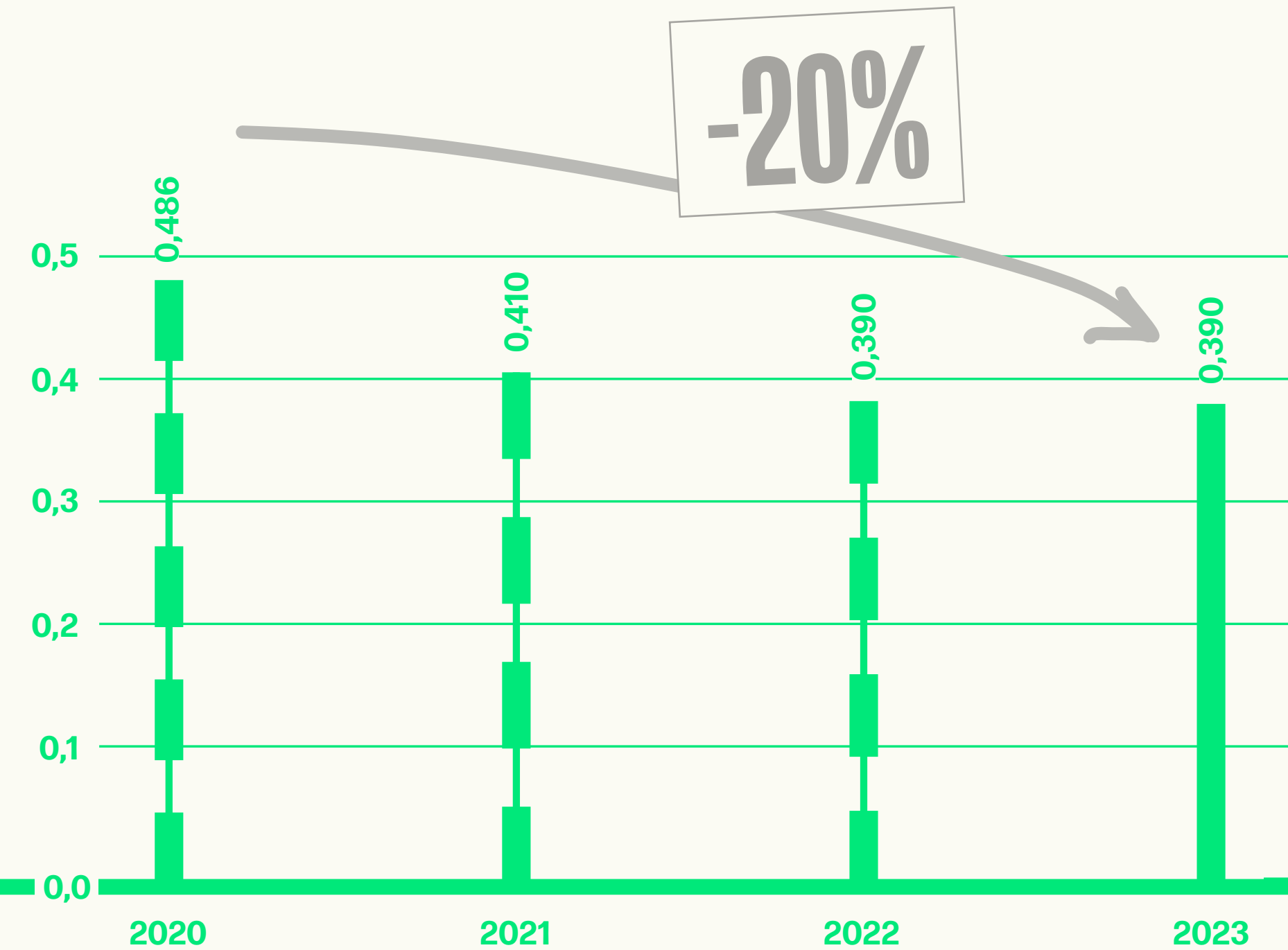
The recognitions we have received underscore our dedication despite the challenging market conditions of 2023. Guided by our vision of "wrap dreams beyond packaging" and driven by goals to reduce environmental impact while promoting growth, we embrace our responsibility to conserve resources and champion eco-conscious practices. Each initiative we undertake plays a crucial role in advancing glass sustainability and meeting stakeholder's expectations.



CARBON FOOTPRINT



TON CO₂/ TON PRODUCED



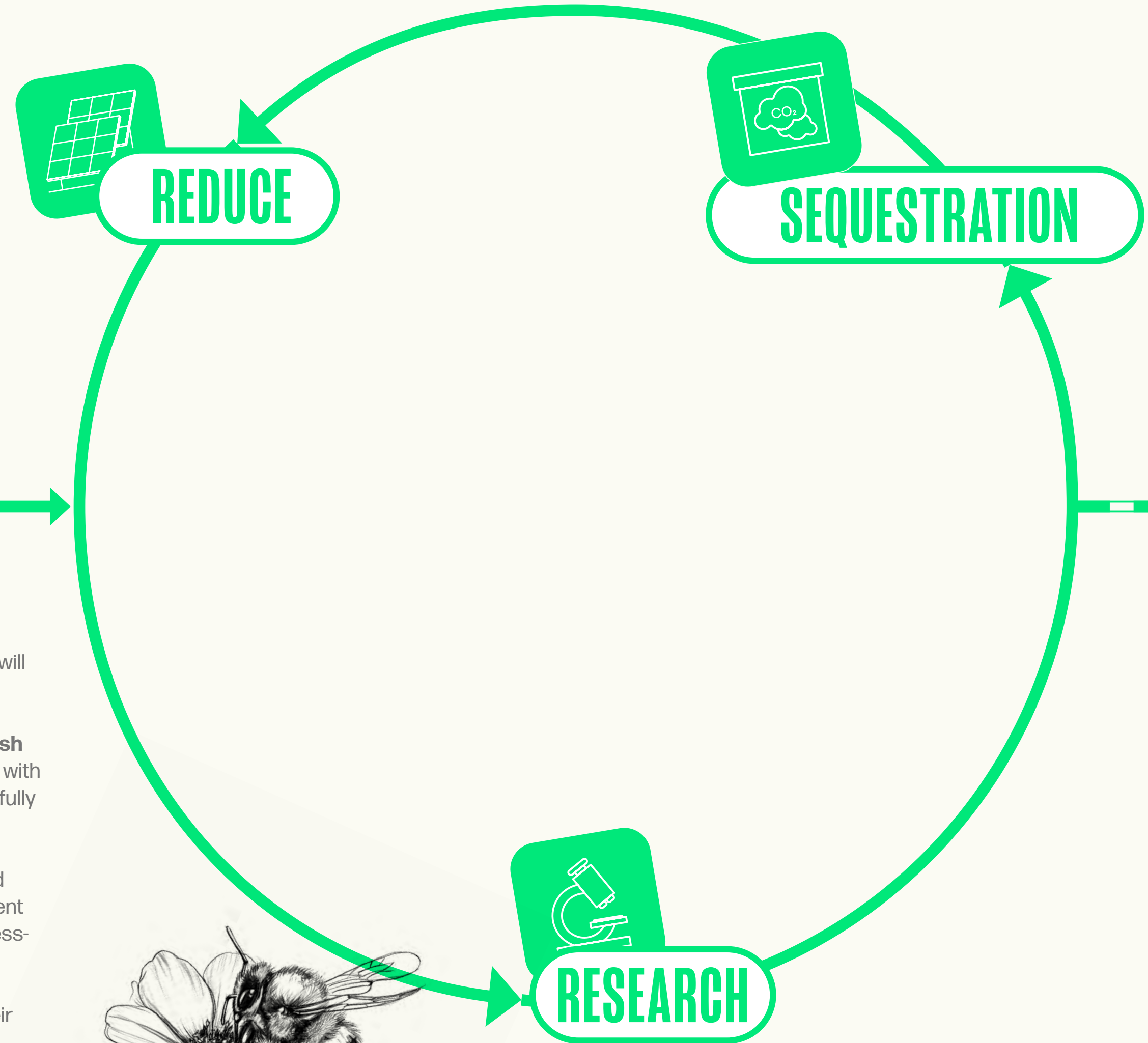
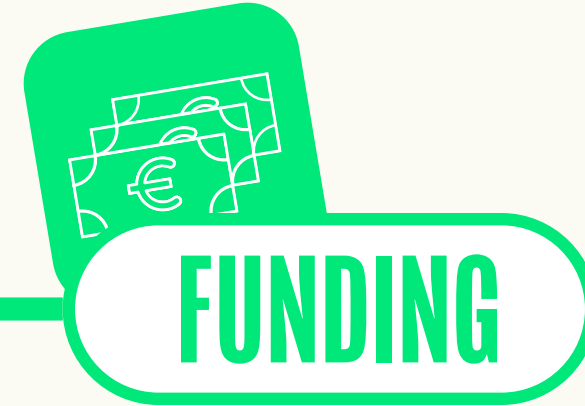
20% CO₂ emissions reduction in 3 years (scope 1 and 2)

Sustainability has been by BA's side along this journey. We have made substantial strides in minimizing the carbon footprint linked to glass packaging. Our efforts have included transitioning energy sources, increase the use of recycled glass, and push the boundaries of furnace technology. In recent times, our dedication to achieving these ambitious goals has only grown stronger and broader including along the way cooperation with our customers and suppliers. Looking ahead, the glass packaging industry is poised to completely eradicate its carbon footprint, assuming its status as the best choice among packaging materials.

In 2023, there were no tailwinds, we needed to adjust our sails to get in safe port. The absolute reduction in CO₂ emissions, measured in tons, was achieved through partial production shutdowns due to adverse market conditions. Although discontinuing lines have led to increased emissions per ton of glass produced due to the challenge of proportionally reducing resources consumption, **production efficiencies have maintained relative CO₂ emissions at 0.390 ton per ton of glass produced**, consistent with 2022 levels for scopes 1 and 2. These efficiency improvements helped offset challenges such as cullet scarcity and surgical stoppages. The company has upheld its commitment to green electricity

through self-consumption initiatives with the photovoltaic installations growing 20% in 2023 and preventing more than 4.500 tons of CO₂ of being released. **At BA Glass facilities, 100% of electricity consumption is sourced from renewable sources**, resulting in zero emissions for scope 2, an accomplishment of 2022 upheld last year. When considering location-based emission factors by country, this translates to an avoidance of over 280,000 tons of CO₂. **As for scope 3, emissions per ton of glass produced also decreased, mainly due to more sustainable option in upstream and downstream transports.**

CARBON NEUTRALITY ROADMAP



BA has embarked on a series of initiatives to deliver the most sustainable glass packaging. Among these efforts is the development of the ECO Furnace, a technology poised to revolutionize glass production. Representing a monumental leap forward in the industry, **this furnace will operate on 100% renewable energy**, effectively eradicating CO₂ emissions associated with energy sources. By transitioning from natural gas to renewable electricity, green hydrogen, or biofuels, we also anticipate significant reductions on energy consumption.

Further to our sustainability practices, we are part of the International Partners in Glass Research (IPGR). **In 2023, IPGR conducted the first industrial trials of glass production without soda ash, a carbon-based raw material that significantly contributes to CO₂ emissions from glass manufacturing.** Within

BA, we have successfully implemented new non-carbon-based materials in glass composition. **Through extensive pilot projects, we have replaced conventional raw materials that previously contributed to CO₂ emissions with innovative, carbon-free alternatives.** Currently, two of our plants have completed rigorous large-scale testing of these materials, confirming their efficacy. The results are very encouraging with 10% reduction in CO₂ emissions within scope 1 (process emissions). This achievement means a significant advancement in our sustainability efforts and reaffirms our commitment to leading the way in environmentally responsible solutions.

While still at an early stage, **we are involved as off-takers in two green hydrogen projects.** Only a Memorandum of Understanding (MoU) has been signed thus far. However, we are

optimistic that by 2024, significant progress will be made in these projects.

After all, the residual CO₂ impact will vanish as carbon capture technology advances, with BA actively collaborating with organizations fully dedicated to its development.

Since 2020, our shareholders have allocated part of the dividends towards the development of technologies aimed at reducing our process-generated CO₂ emissions and mitigating our environmental impact. This substantial investment in R&D projects underscores their dedication to driving positive change and securing a sustainable future. **Additionally, it's worth noting that an additional 8M€ has been added to the fund this year, bringing the total to 29.8 million euros over the course of four years.**



RECYCLING

1 Kg

of *used* glass

In 2023, we used 644,000 tons of recycled glass from post-consumption

1 Kg

of *New* glass!

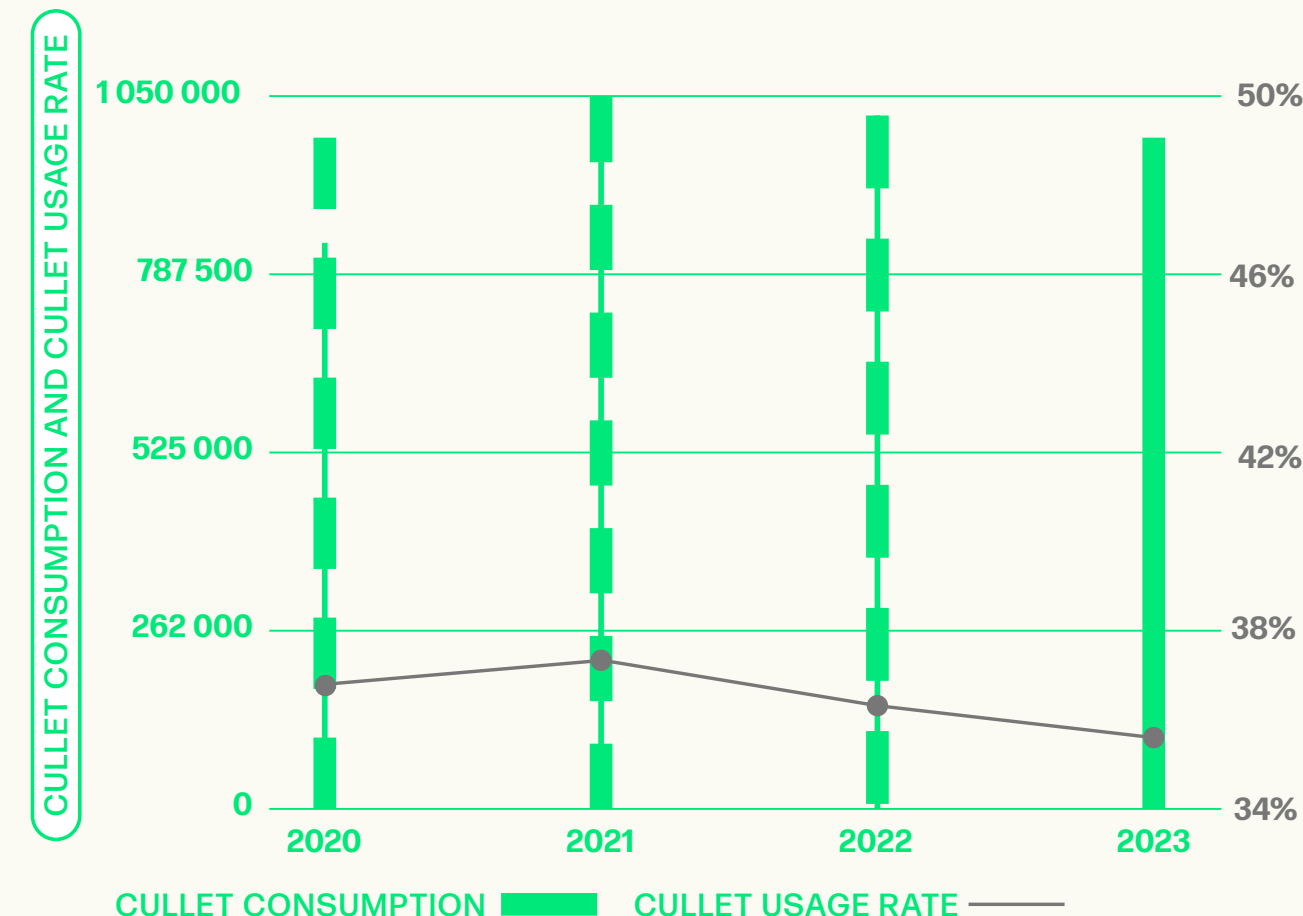
In 2023 we produced 644,000 tons of new bottles and jars from recycled glass

RECRESO

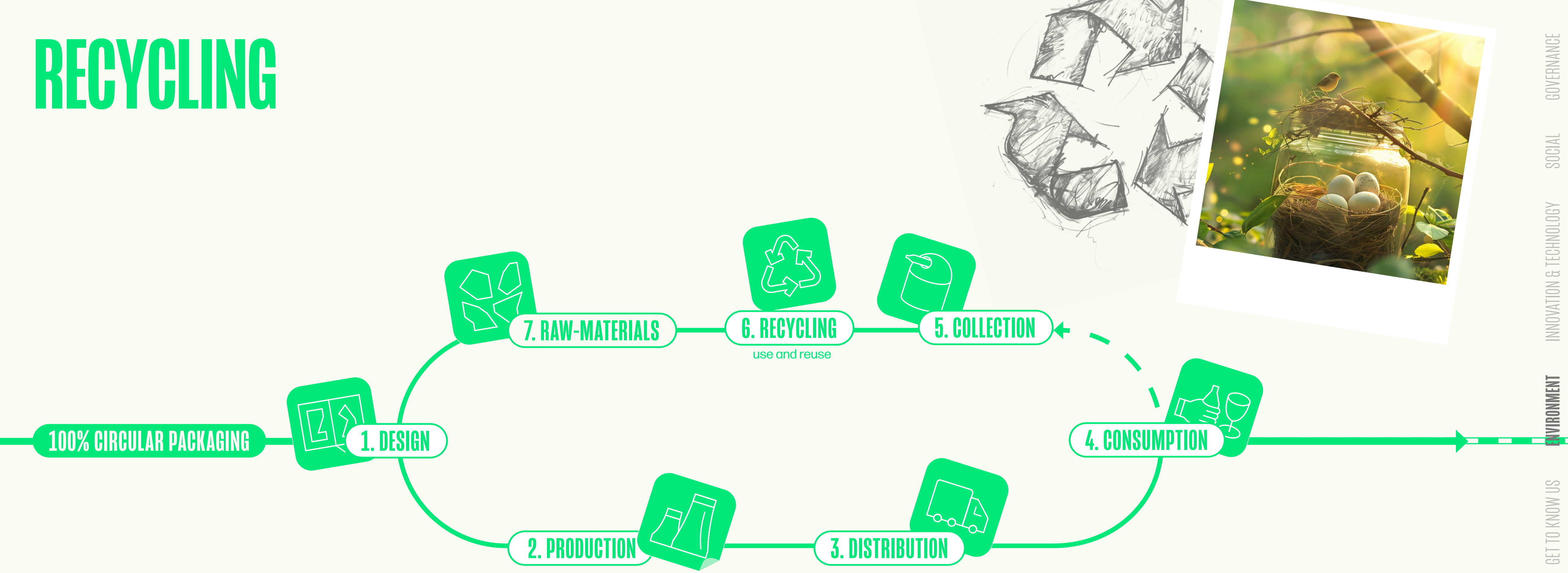
2 CULLET TREATMENT FACILITIES

In 2023, the cullet market remained highly dynamic. We encountered difficulties in boosting the utilization of recycled glass (cullet) mainly due to the limited availability of colorless recycled glass as a raw material, BA most produced color. Moreover, our operations in countries with a surplus of glass trade consistently present additional challenges in increasing cullet consumption. **The acquisition of Recresco, with its two cullet treatment facilities in the UK, will strengthen BA's position, marking another firm and sustainable step forward.**

BA accomplished commendable results by achieving a recycled content of **52%** in colored glass and 25% in colorless glass.



RECYCLING



Glass stands as an enduring and inert material, capable of endless recycling without compromising its inherent qualities, thus establishing a closed-loop system. This not only fosters environmental well-being but also places consumer health at the forefront. The ability to collect and sort glass under specific conditions for its incorporation into products of comparable quality highlights a distinctive aspect of cullet: its origin as a raw material. This invaluable resource is the culmination of collaborative efforts among glass producers, brands,

on-trade channels, end consumers, and a myriad of public and non-profit organizations.

Cullet plays a pivotal role in advancing carbon neutrality through its distinctive attributes, facilitating sustainable glass manufacturing. **As a crucial element in mitigating the second-largest source of CO₂ emissions, linked to raw materials, cullet offers notable environmental advantages. By directly replacing carbon-intensive raw materials such as soda ash and limestone with cullet, we can**

save 0.23 tons of CO₂ per ton of recycled glass utilized. Moreover, cullet aids in conserving energy by lowering the melting temperature. While considerations of availability, quality, and glass color remain significant, cullet presents minimal constraints and can be efficiently utilized. Thus, it emerges as a vital asset in our quest for sustainable glass production.

The use of recycled glass in production is steadily increasing, surpassing 60% industry-wide for colored glass and setting

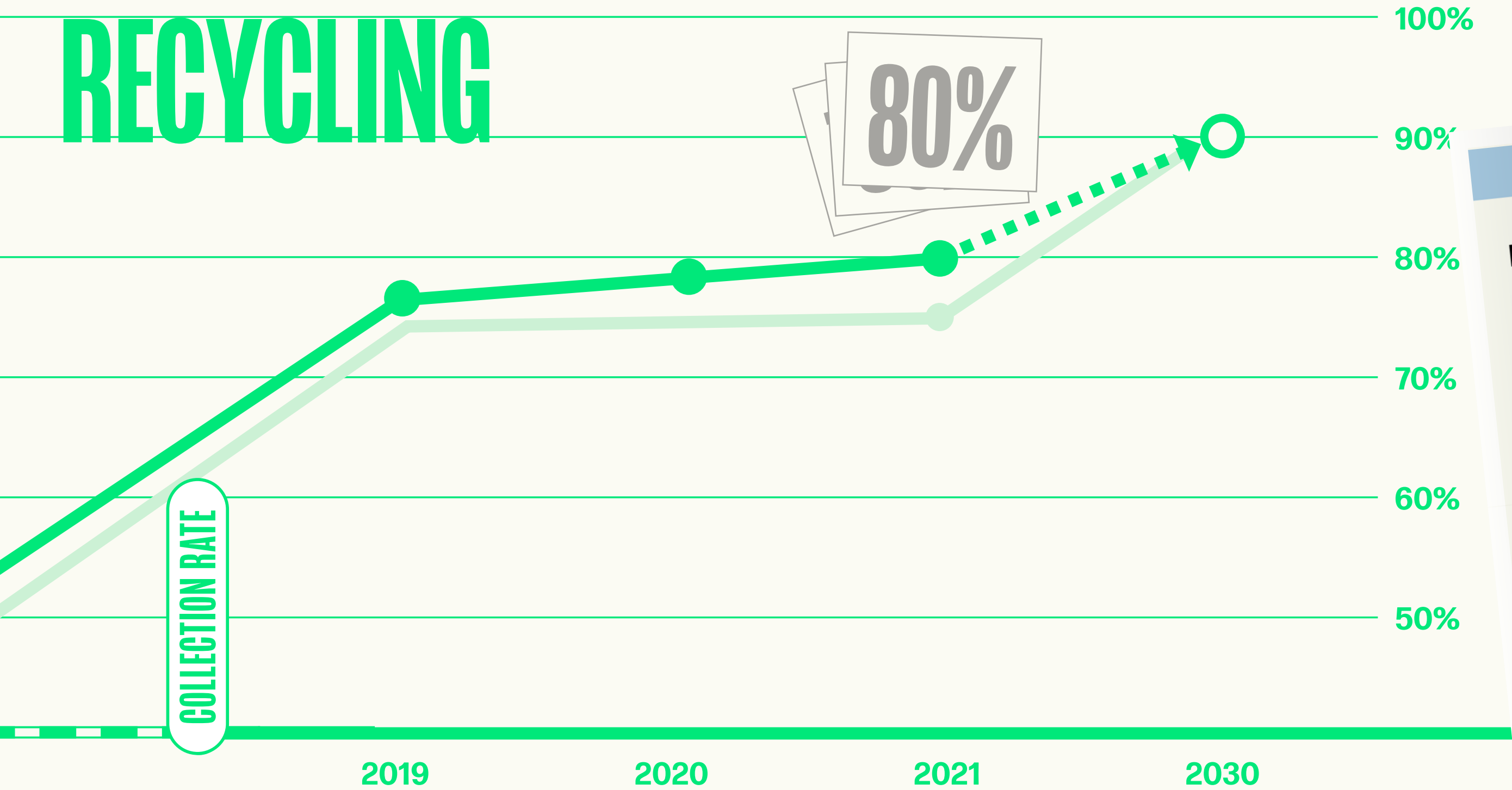
a new standard for packaging materials. Our goal is to further raise these incorporation levels, requiring coordinated efforts from all stakeholders. Establishing an efficient collection system is crucial for promoting a circular economy, which entails implementing an Extended Producer Responsibility (EPR) framework in each country. Manufacturers must take responsibility for collecting the packaging they produce, while efficient collection systems should encourage recycling among consumers and producers

alike. This involves deploying collection systems in various locations and utilizing effective recycling technology to reclaim glass from municipal waste, thereby reducing landfill deposition.

In 2023, there was a significant expansion in BA's cullet treatment capabilities, with the number of treatment stations more than doubling through the acquisition of Recresco and Vidrio Formas. These acquisitions resulted in the incorporation of facilities in Ellesmere and Cwmbran, UK, and another

station in Lerma de Villada, Mexico. As an integral component of the glass packaging industry's roadmap to decarbonization, BA is actively participating in the transformation of the cullet industry.

RECYCLING



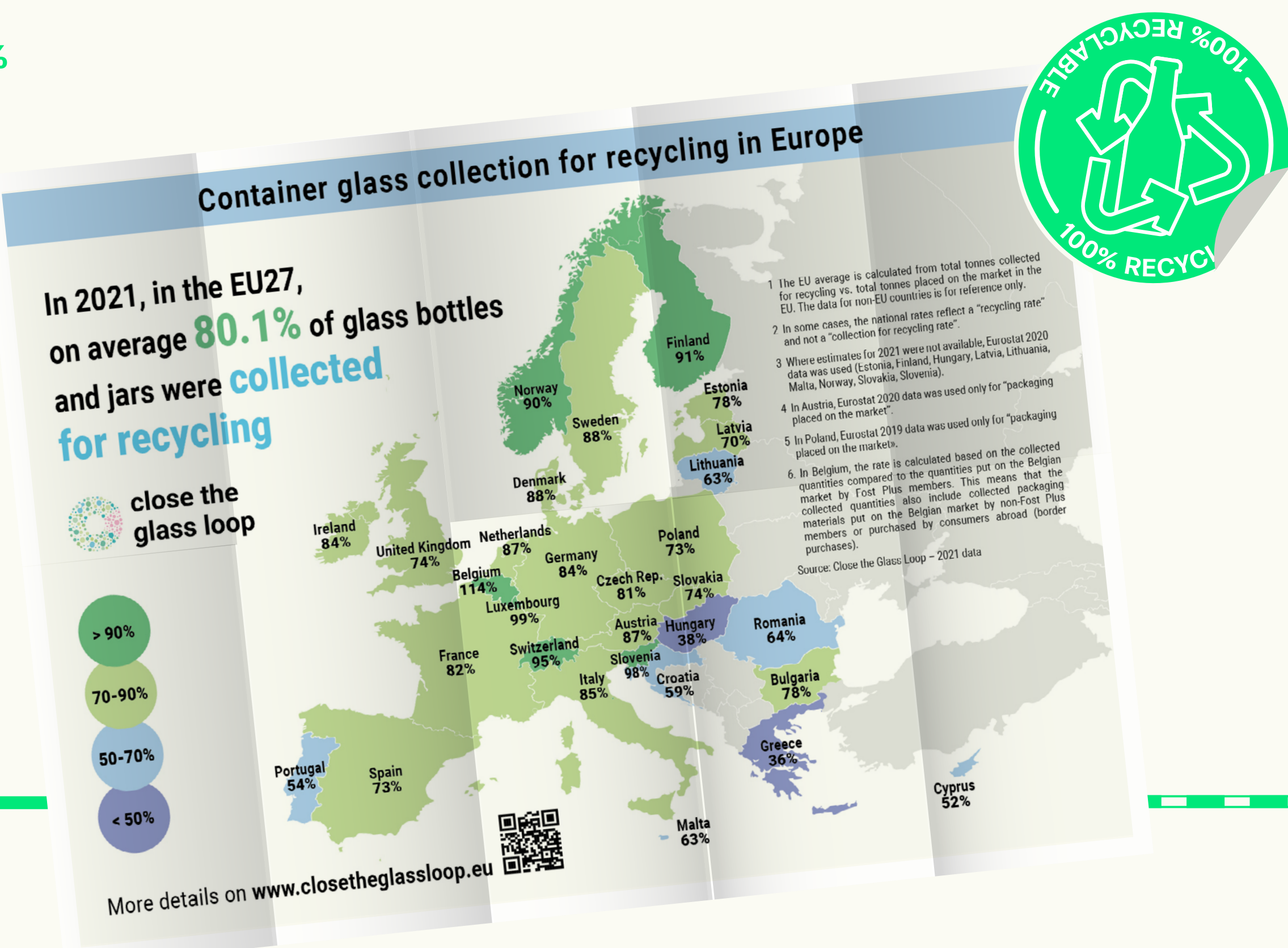
2021 collection rate **80%** already above the last defined goals by the European Union 75%

Recognizing their accountability, both national and European glass associations consistently embark on initiatives and implement strategies to enhance glass collection rates across various countries. **Members of FEVE have set an ambitious target of achieving a 90% collection rate by 2030, surpassing the 80% rate accomplished in 2021.** Through the collaborative 'Close the Glass Loop' initiative, these associations actively engage with municipalities and recyclers, involving all stakeholders within the glass packaging chain. This partnership includes producers, brands, fillers, consumers, processors and waste management schemes. By uniting efforts, significant strides can be made in glass recycling, paving the way for a more sustainable future.

The European Union has revised the Packaging and Packaging Waste Directive with the aim of achieving higher recycling rates across all materials. With an industry target of 90%, the glass sector is poised to meet these objectives. Notably, the latest glass collection rate (2021) already surpasses both the 2025 and 2030 targets of 70% and 75%, respectively. However, Portugal and Romania, where BA operates, currently fall below these targets. In Portugal, BA plays an active role in Plataforma Vidro+, a collaborative effort aimed at fostering commitment among stakeholders in the national packaging glass value chain. Meanwhile, in Romania, with the Deposit and Return System underway, we anticipate a significant increase in the collection rate.

In 2023, BA utilized 644,000 tons of recycled glass to manufacture jars and bottles. However, we fell short of our targets due to limited cullet availability. Some European countries, like Portugal and Bulgaria, import cullet due to their surplus glass production. Nevertheless, we keep committed to increasing the integration of recycled glass into our production processes. These principles were reinforced by our recent acquisitions and ongoing investments in cullet treatment technologies.

Annually, our recycling facilities handle and process over 400,000 tons of waste, preventing it from being sent to landfills. This figure is set to significantly rise in 2024. Instead, these materials undergo thorough cleaning and processing to contribute to a more sustainable approach.



ENERGY



~~NATURAL GAS~~

100% ELECTRICITY from renewable sources

100% Electricity from renewable sources



The packaging industry is an energy-intensive process and relies by now on natural gas, leading to substantial CO₂ emissions. Nevertheless, BA is firmly committed to pursuing a proactive strategy centered on continual enhancements in energy efficiency to mitigate our environmental impact.

The year 2023 marked a period of transition following the energy crisis witnessed throughout 2021 and 2022, which reshaped the energy supply landscape. We encountered a significant market downturn, resulting in partial line stoppages. This downturn adversely affected our energy efficiency, as the reduction in production did not correspond to a proportional decrease in energy consumption.

Despite this, the share of natural gas consumption remained at 79.5%, a marginal decrease of 0.2 percentage points compared to 2022, and our internal energy efficiency initiatives contributed to reductions in natural gas usage. However, the partial stoppages towards the end of the year resulted in maintaining the same energy efficiency level as 2022, at 1,040 kcal per kg of melted glass. The introduction of the ECO furnace stands as our primary strategy for curtailing natural gas usage.

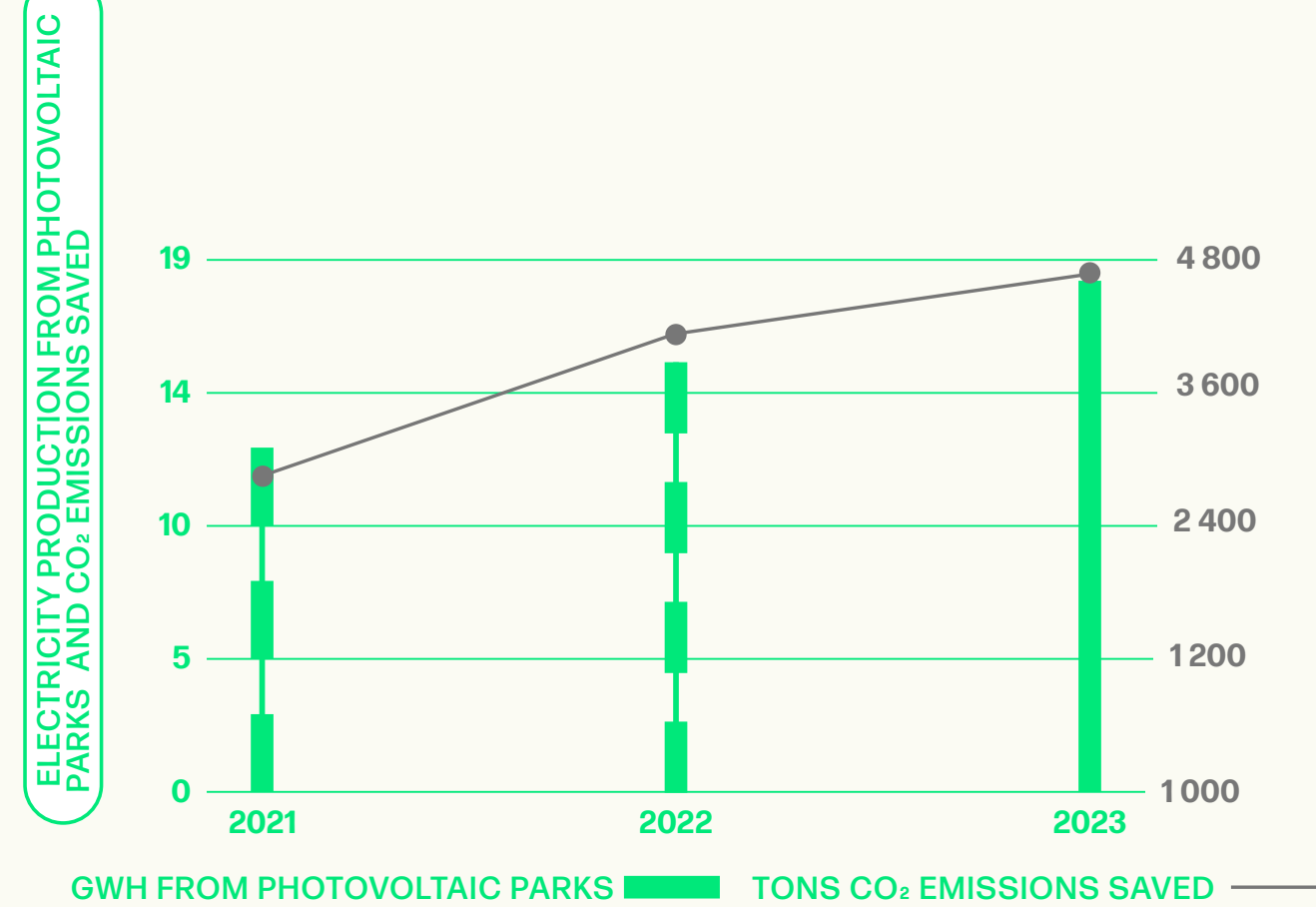
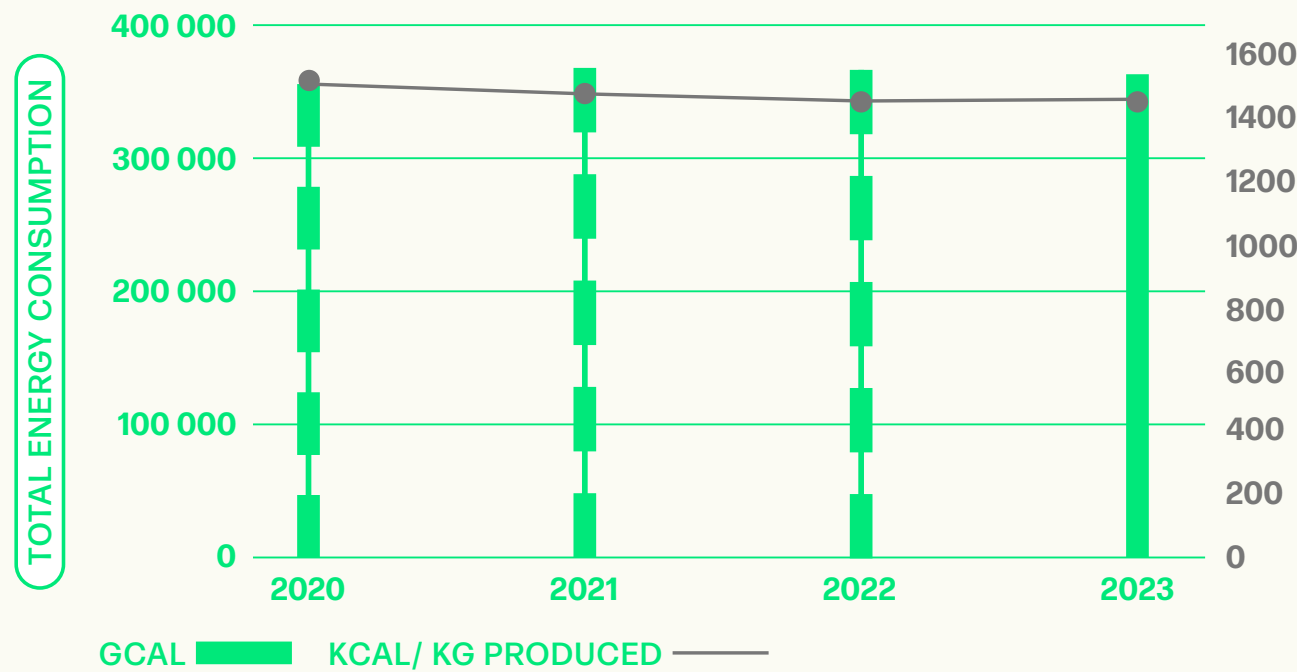
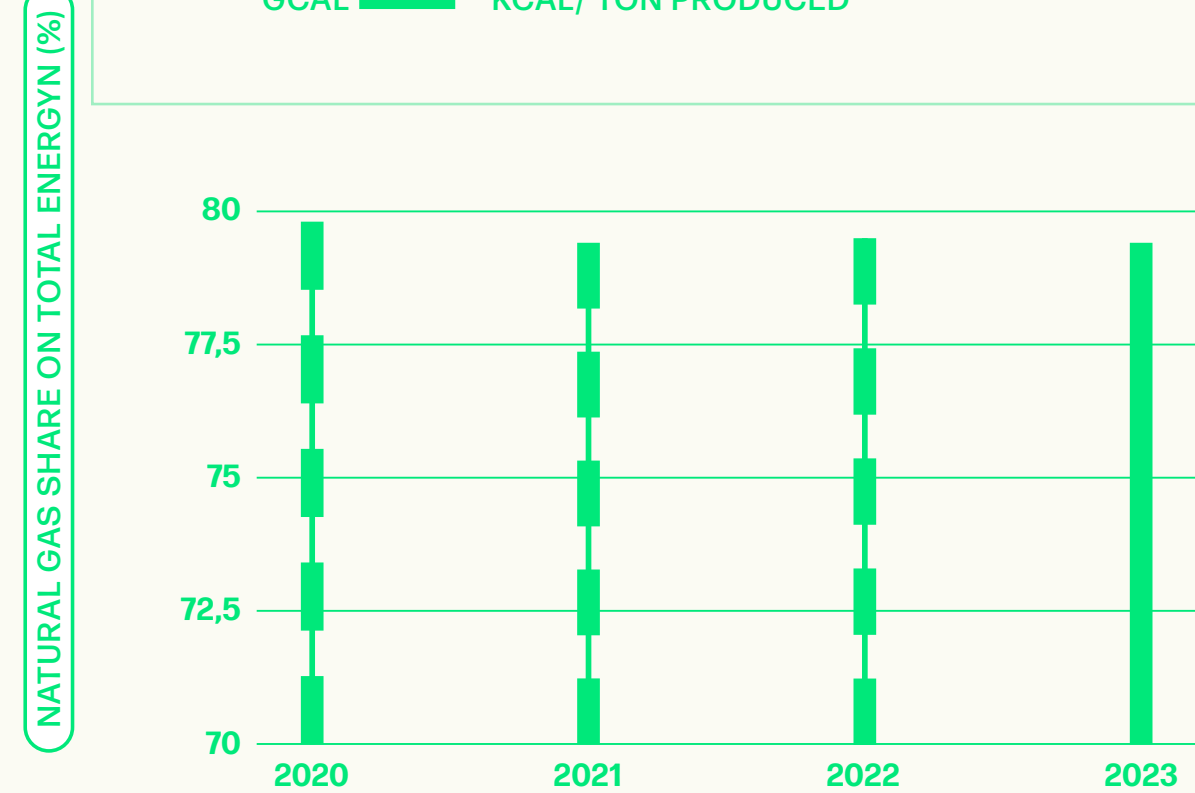
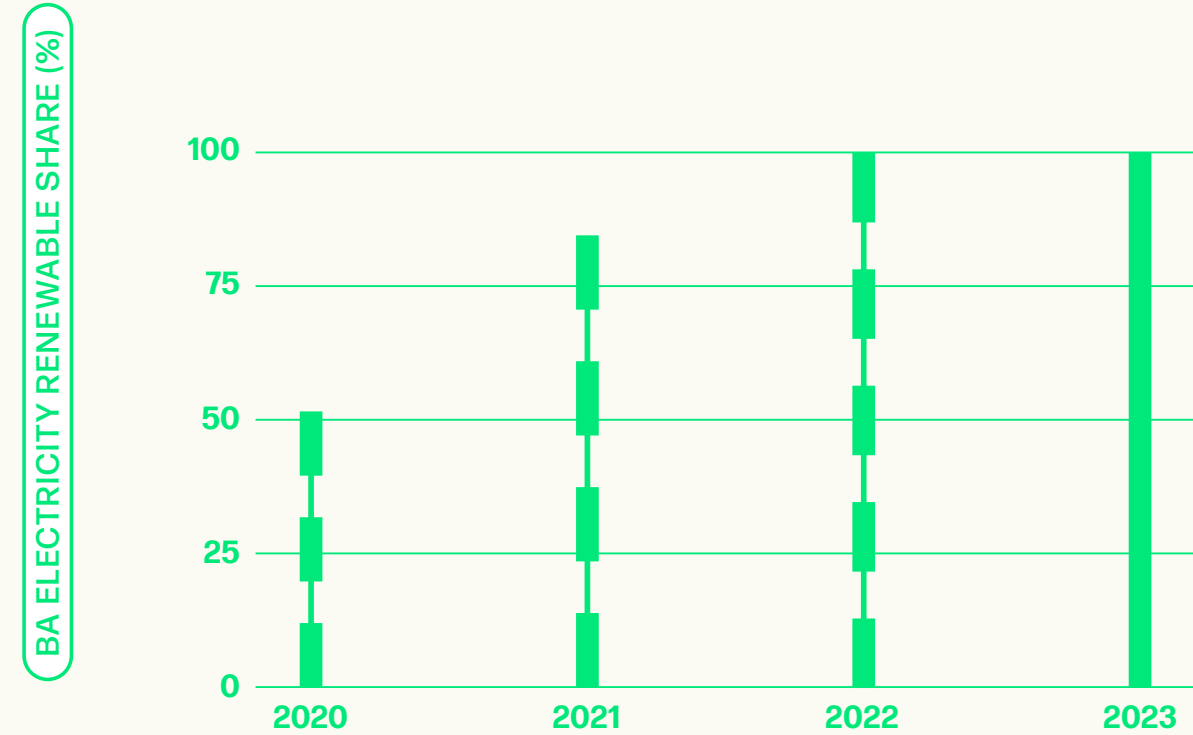
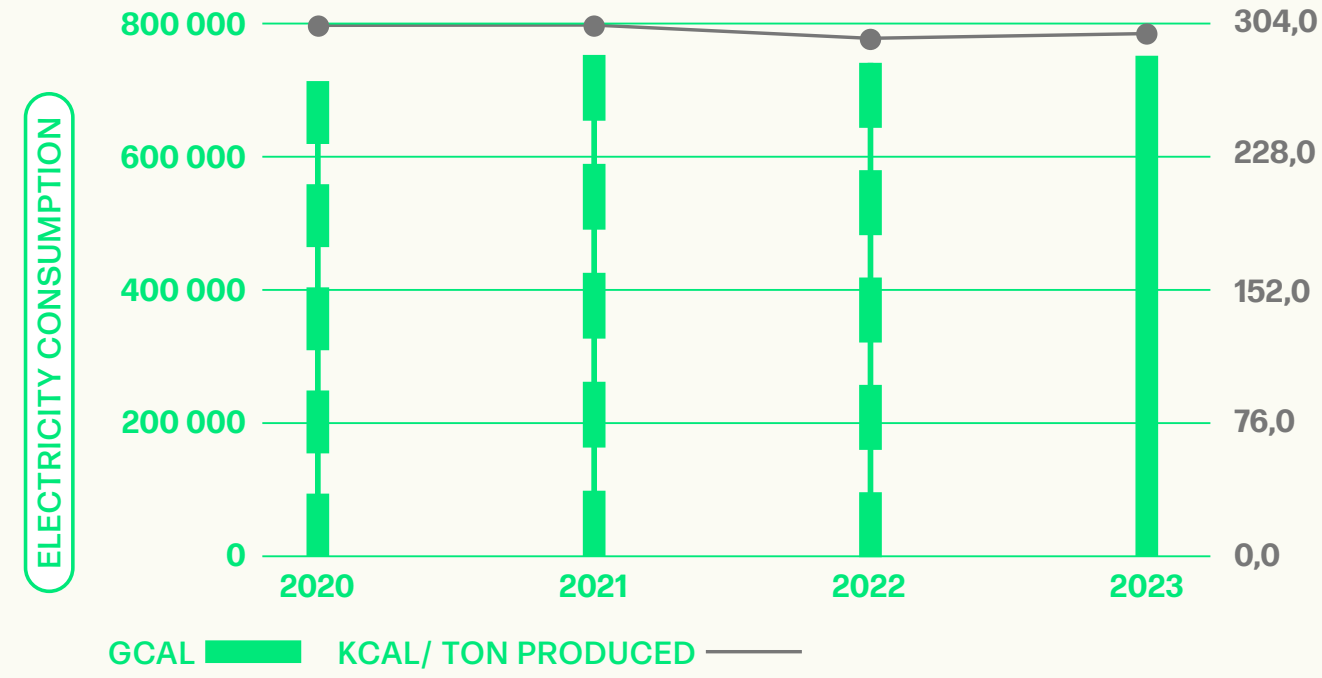
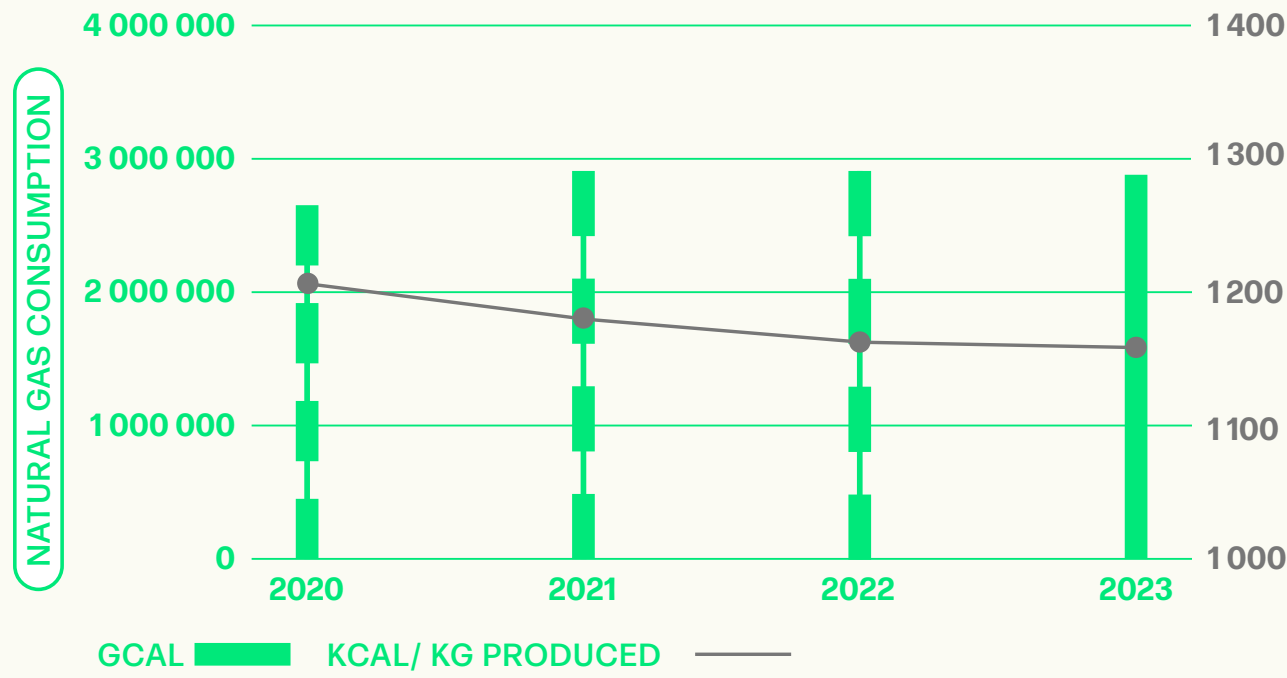
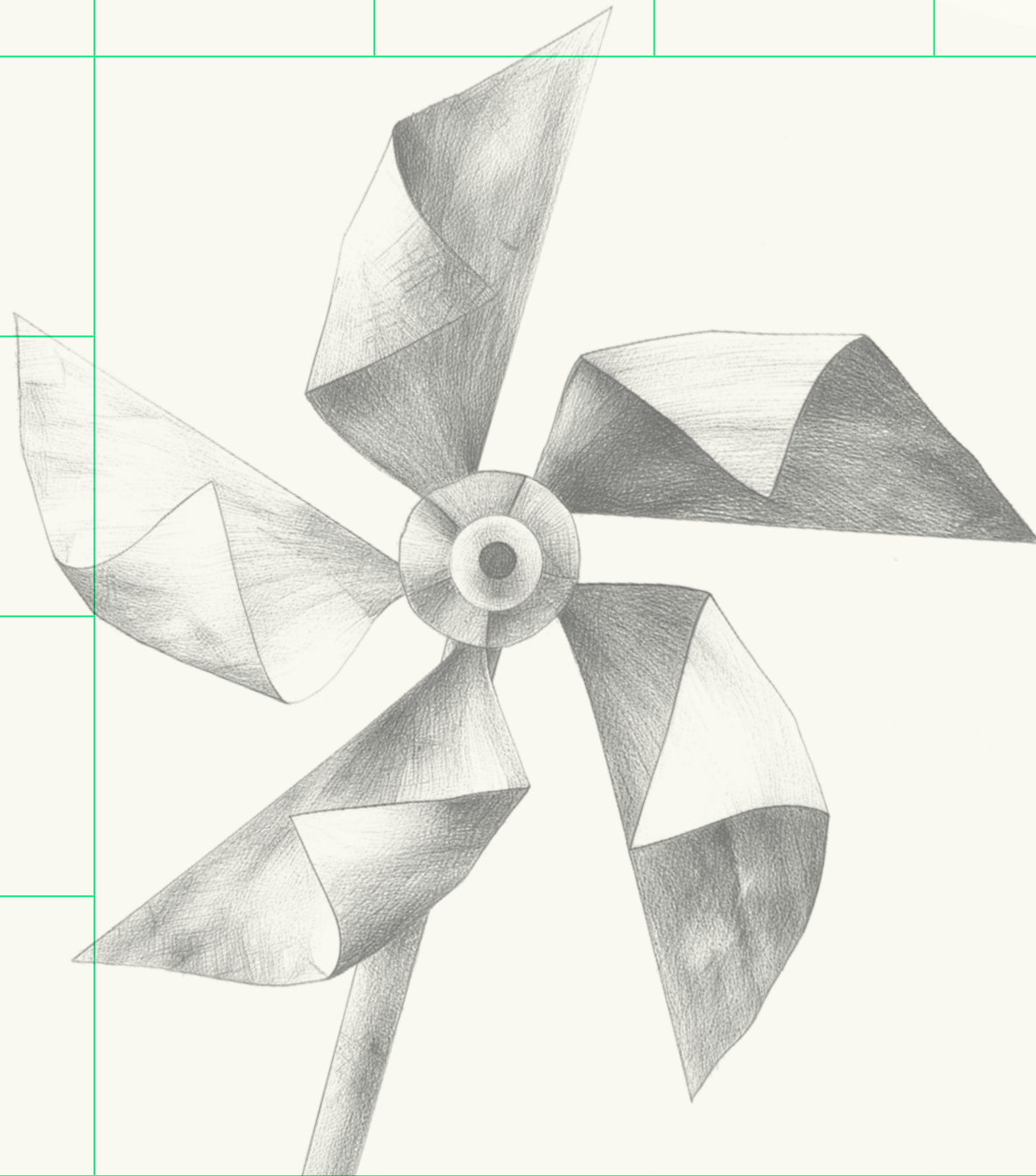
Our dedication to renewable energy was demonstrated through the expansion of our photovoltaic parks. We made further advancements at our photovoltaic park in the Sofia plant, installing over 16,000m² of solar panels. Across various plants, BA now boasts a total installed area of over 95,000 m², achieving a combined capacity of 18.5 MW within the Group.

In 2023, the utilization of these solar panels for electricity generation resulted in a noteworthy reduction of over 4,500 tons of CO₂ emissions. Building on the success of a 10 MW Virtual Power Purchase Agreement (VPPA) established in Poland in 2022, we finalized another PPA for 12.4 MW in 2023. This move enabled us to avoid over 20,000 tons of CO₂ emissions annually. These endeavors represent significant strides toward our sustainability goals and our aim for carbon neutrality.

And our drive for ambition, a core value for BA, propels us forward. In 2024, we will persist in cladding the roofs of our facilities with new technology photovoltaic panels.

Due to the stoppages in production lines mentioned earlier, our electricity specific consumption increased by 1.2% last year, reaching 268 kcal per kg of melted glass.

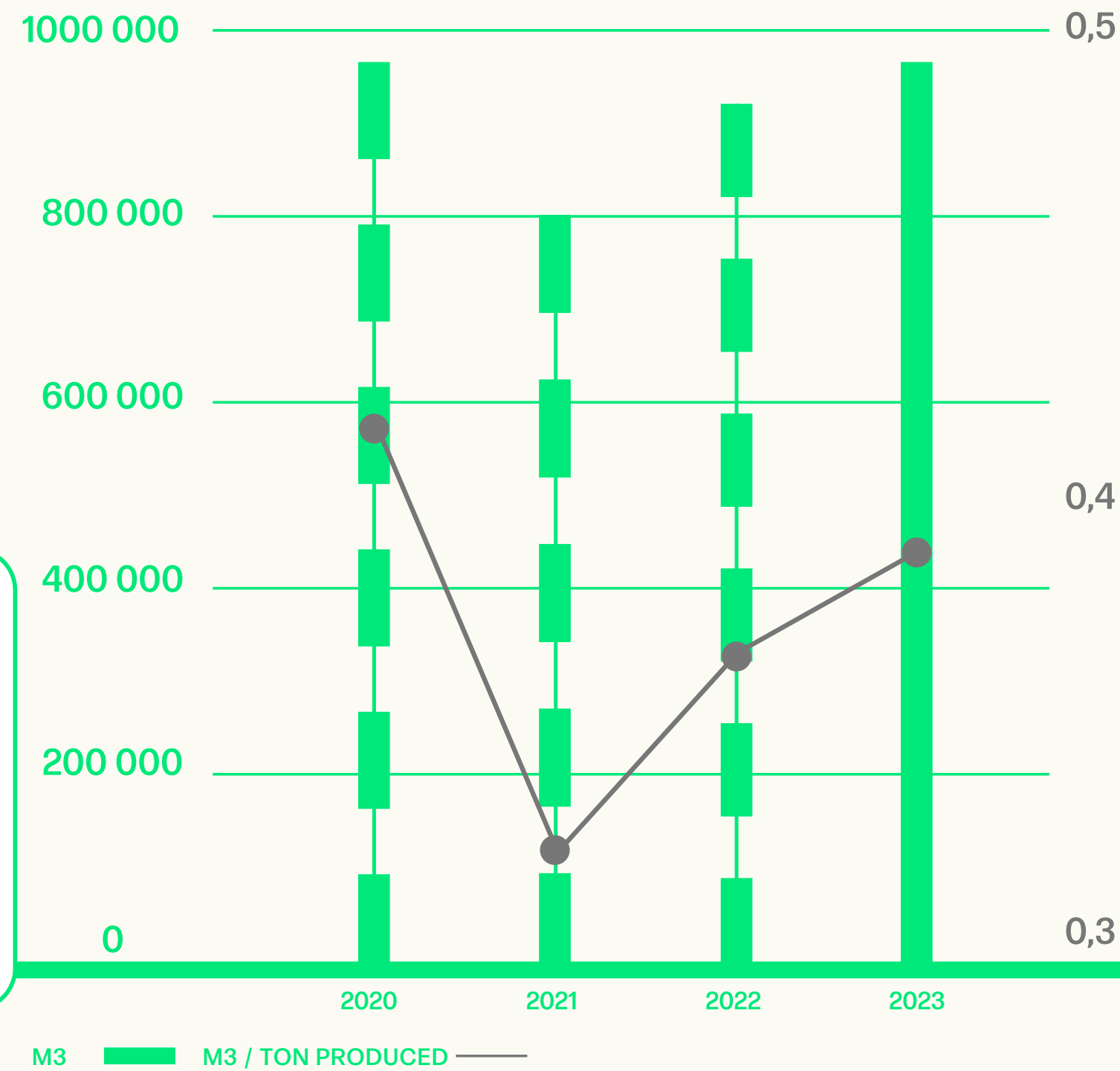
ENERGY



WATER



WATER CONSUMPTION



0,1 m³
per ton
of melted glass

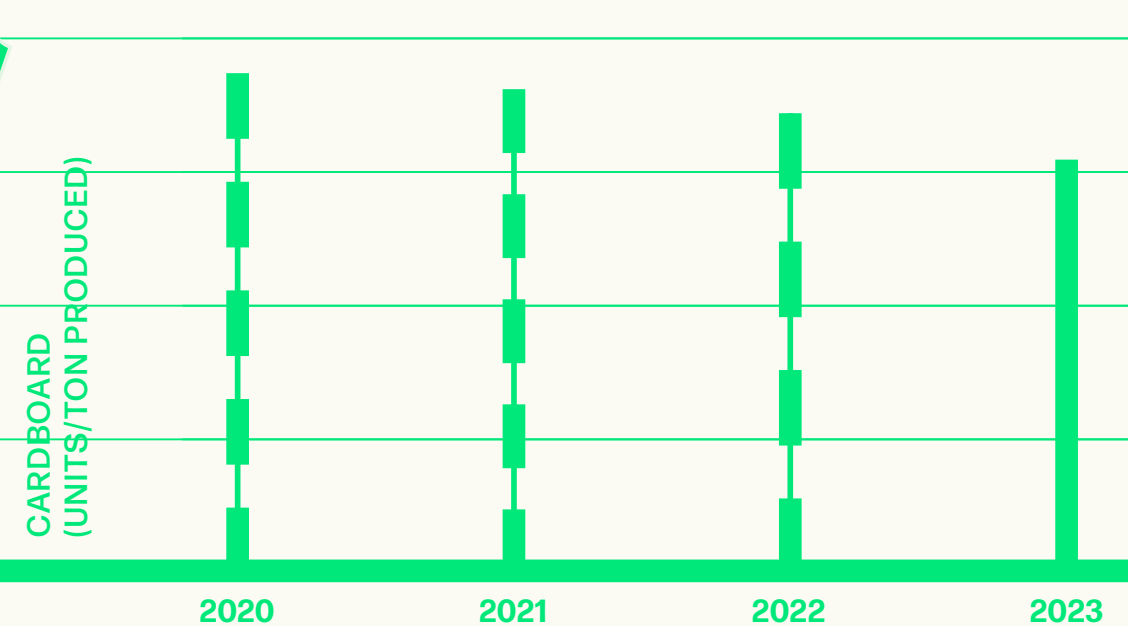
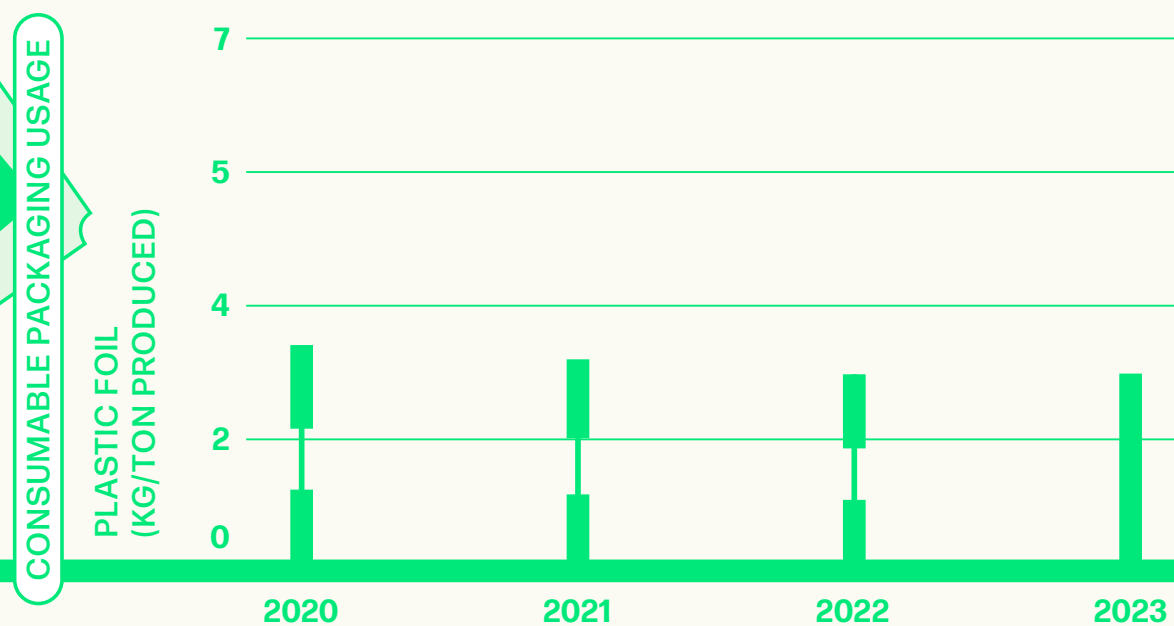
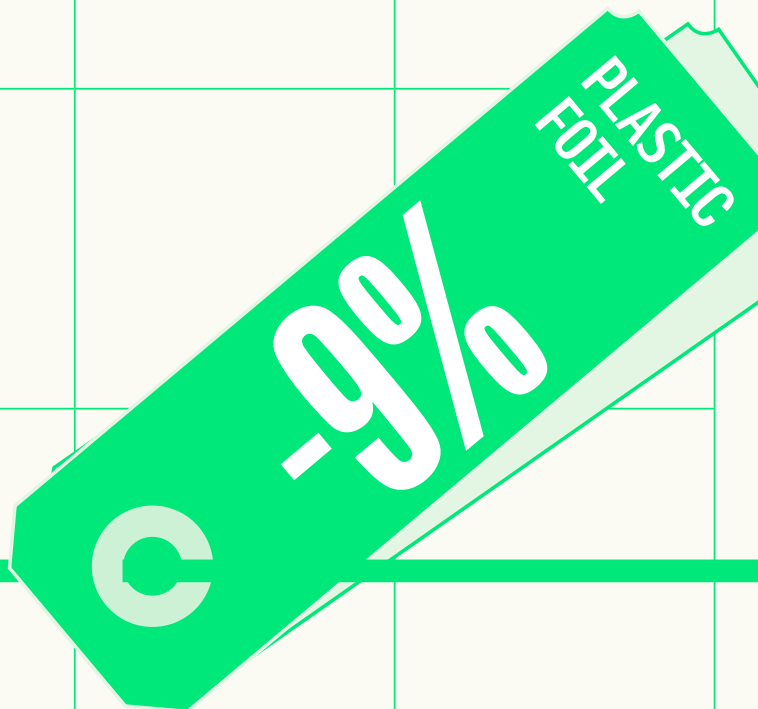
We recognize the importance of meeting present water needs while ensuring a sustainable supply for future generations

Water is a vital yet finite resource that needs careful management to ensure environmental protection and universal access. Embracing water reuse, recycling, and efficient treatment safeguards ecosystems, mitigates water scarcity, and ensures equitable access. At BA, sustainable water management is a priority. In our glass packaging manufacturing, water is mainly used for cooling, and we aim to reduce its consumption. By investing in advanced technologies, we have enhanced water efficiency and reduced our environmental impact, aligning with our goal of preserving this resource.

Under the Porto protocol declaration, BA pledged to achieve 0.1 m³ per ton of melted glass. At the Gardelegen plant, we have already surpassed this target, thanks to our proactive action plan implementation.

The partial stoppages and several investments done, namely in Avintes, Bucharest and Plovdiv, resulted in a 5.2% increase in consumption to 0.385 cubic meters per ton produced. Our focus in 2024 remains on investments to reverse this trend and ensure consistent reductions in water consumption across our facilities.

PACKAGING REDUCTION



As a core part of BA Glass' strong commitment to environmental sustainability, reducing the impact of our packaging is always on the top of mind. Acknowledging the environmental issues tied to plastic, we have started several projects to cut plastic waste in our processes. A continuous initiative is using less plastic foil in packaging,.

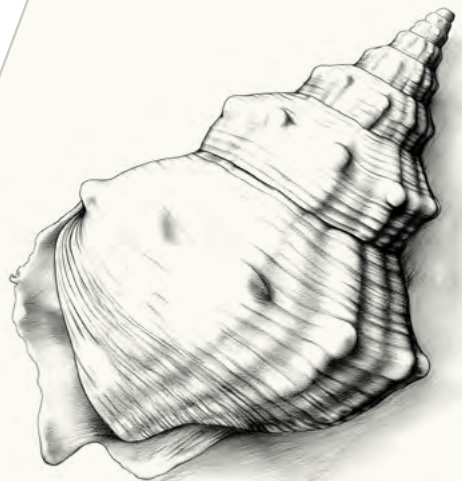
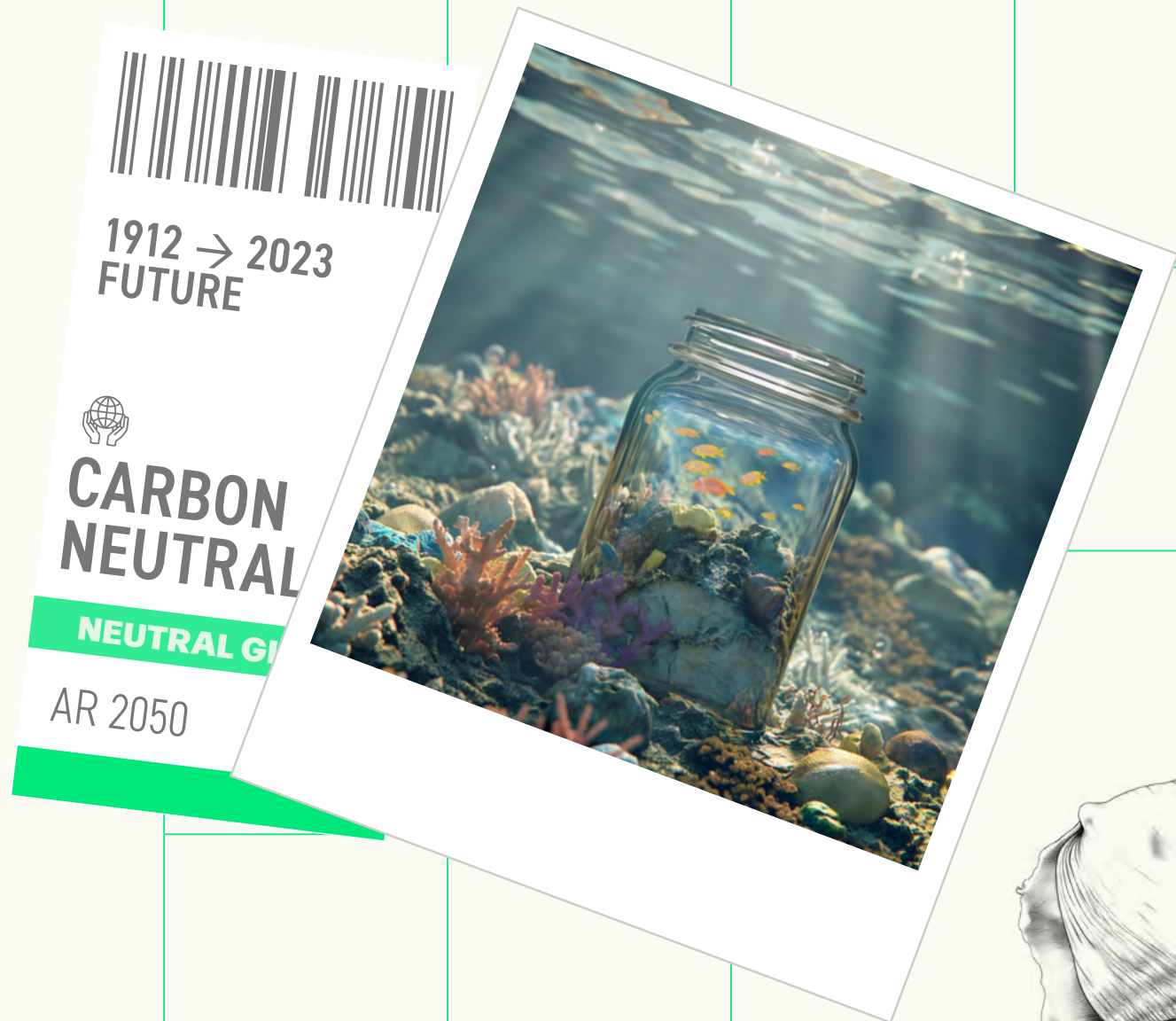
In addition to our foil-cutting efforts, we are also diving into a project to bring recycled foil into our production processes. This not only reduces the need for new foil but also makes our plastic usage more circular, addressing a sustainability aspect we haven't tackled before. We are actively urging our suppliers to join us in embracing a more circular and sustainable future. This all-encompassing approach shows our commitment

to reducing the environmental impact across different parts of our operations and more towards a greener future.

A relevant part of our operations is promoting circularity, even when it comes handle the pallets sent to our customers. In 2023, we managed to reuse over 3.3 million pallets, marking a 10% increase from the year before and hitting an impressive average reuse rate of 92%. Notably, in Iberia, we set up an internal operation focused on reusing wooden pallets, slashing the amount of pallets we throw away from 7% to just 1%. We're committed to continually improving, and we're currently looking into other projects to replicate this success across Europe.

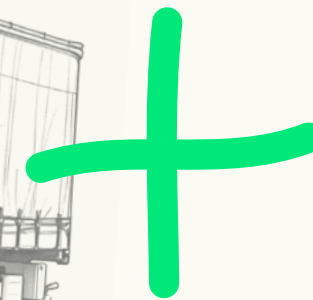
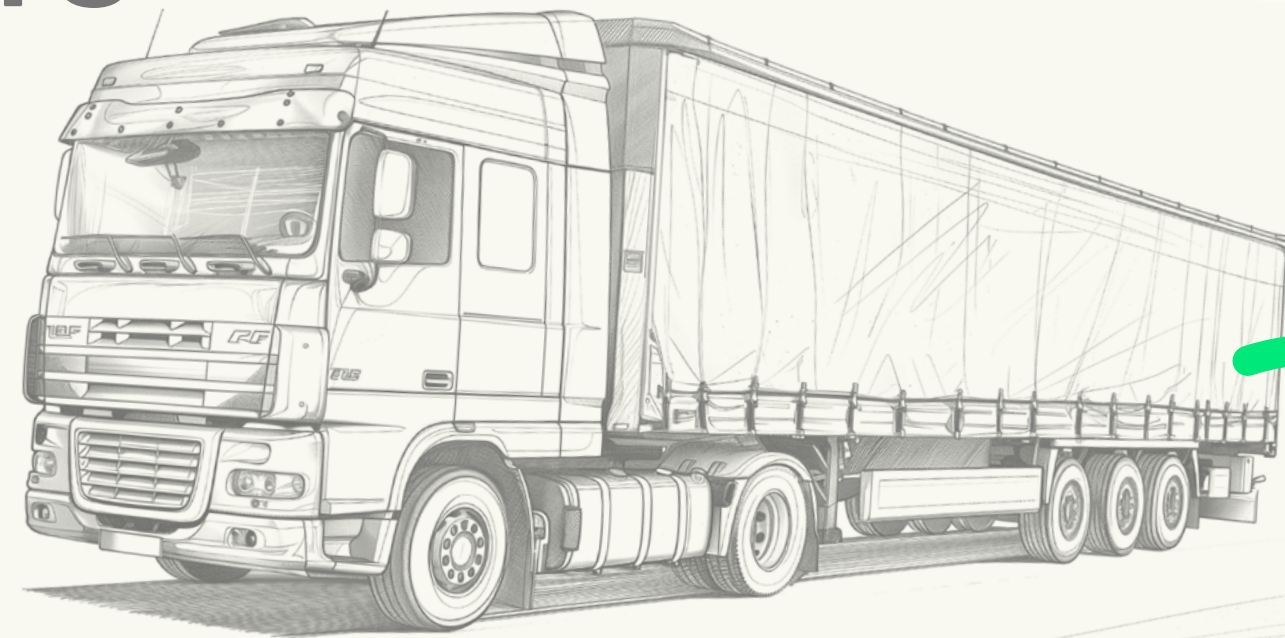
In 2023, we kept pouring efforts into strengthening and consolidating our sustainability initiatives. Substituting cardboard with circular layer pads resulted in a 9% drop in cardboard usage per ton of production. At the same time, we set up an internal operation in our southeastern plants to make our layer pads more circular. This led to a whopping 111% increase in the number of layer pads returned by our clients, helping us recover some of the layers not returned in previous years.

Our targets remain clear: to have a positive impact on the environment while continually improving our practices for a greener future.



LOGISTICS

Partnership with customers to deliver our products in dual trailers can reduce 25% CO₂ emissions per trip



We are actively focusing on transporting packaging materials to our customers' sites and delivering raw materials to our manufacturing plants. These operations play a crucial role in our scope 3 CO₂ emissions. **Throughout 2023, we implemented various solutions, experimented with new technologies, embraced novel approaches, challenged our partners to join this path, engaged more with all stakeholders in the transportation business, and substantially increased our focus and efforts to advance this journey of emission reduction across different alternatives.**

To mitigate the environmental impact of product delivery, we have forged partnerships with both our customers and suppliers to enhance the implementation of new technologies and bolster existing ones. Given our perspective on the

future, we firmly believe it will not rely on a single solution but instead on the combination of several, depending on transportation types, distances, geographies, and available resources. Thus, we have been analyzing and discussing tailor-made alternatives with our customers and challenging our partners to support us with these solutions.

We increased the usage of dual trailers, as this strategic initiative has led to significant reductions in fuel consumption and emissions during transportation. By adopting this innovative approach, we anticipate a 25% decrease in CO₂ emissions.

As we believe the future won't rely on a single solution but on the combination of several, we have explored various sustainable fuel options, including biodiesels and HVO (hydrotreated

vegetable oil). **We currently use bio-LNG (Liquefied Natural Gas) trucks, marking a pioneering and impactful solution that reduces approximately 90% of CO₂ emissions.** We have also studied the usage of electric battery trucks and fuel cell developments, exploring all necessary means for project implementation.

Additionally, we've expanded the use of combined road, rail, and short-sea shipping, resulting in a noteworthy reduction in CO₂ emissions for our longest and/or most pressured routes.

We are intensifying our efforts to gain a deeper understanding of the current state of our suppliers. This involves delving into the specifics of their existing fleet, the solutions they currently use, the types of fuels they utilize, and the kinds

of trucks in operation. Simultaneously, we are actively researching industry trends and expected investments in the next decades. Our aim is to establish a clear starting point, enabling us to strategize on how to proceed, determine the optimal pace, and identify potential partners. We have initiated discussions with our suppliers, sharing our goals and roadmaps, and encouraging them to come on board with our vision.

Moreover, we are in the process of exploring a new transportation management procedure designed to minimize the distance traveled with empty vehicles, thereby facilitating significant reductions in CO₂ emissions.



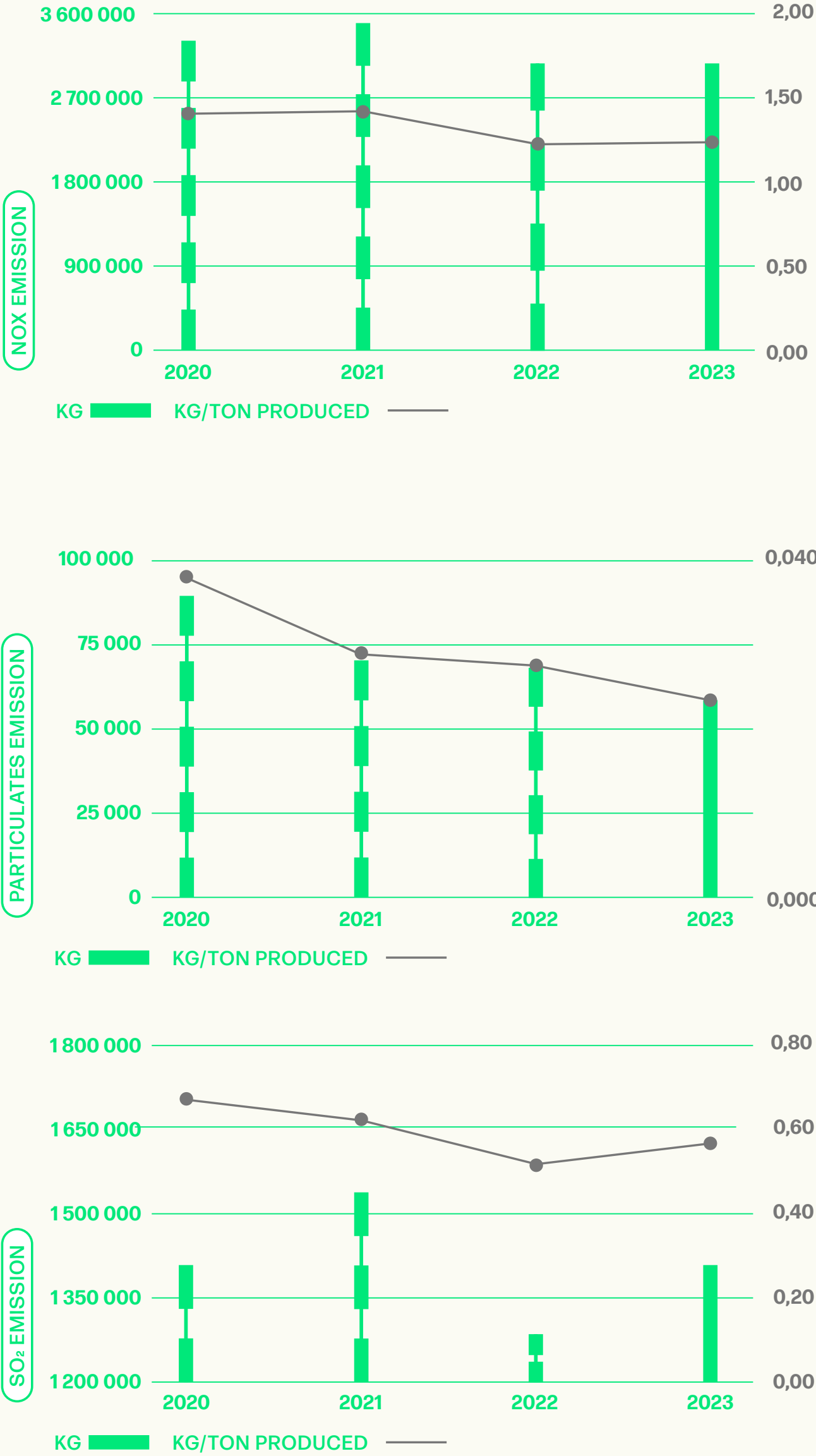
AIR EMISSIONS AND WASTE

Acknowledging the significant challenge posed by CO₂ emissions in glass packaging production, we also recognize the importance of addressing other emissions. Particulate and gaseous emissions from our processes present potential hazards that demand careful mitigation. Since 2000, BA has been diligently implementing the best available techniques to minimize the impact of gaseous emissions, including particles, NOx, and SO₂.

Each of our plants strictly adheres to the Industrial Emissions Directive (IED) and maintains a comprehensive gaseous emissions monitoring plan, as mandated by the corresponding IED permit. Across all facilities, we have installed low-NOx burners in our furnaces and adopted additional measures to reduce particulate matter release, such as electrostatic precipitators or candle filters. The Gardelegen, Sofia, Plovdiv, and Bucharest plants have incorporated catalyst systems to reduce NOx emissions, while the Villafranca de los Barros, León, Gardelegen, Sofia, Plovdiv, and Bucharest plants have installed lime systems to reduce SO₂ emissions.

We monitor existing fixed sources according to each plant’s environmental permit. In four plants (Marinha Grande, Villafranca de Los Barros, Venda Nova, and Athens), NOx levels are continuously monitored. Additionally, in Villafranca de los Barros and Athens, particulate and SO₂ levels are also continuously monitored.

In 2023, we could not fully utilize our furnaces. Despite significant progress in emission reduction across our plants, particularly with the new investment in Bucharest, the partial stoppages lines resulted in an increase in specific emissions. NOx emissions rose by 0.9% to 1.23 kg per ton of glass produced, and SOx emissions increased by 9.5% to 0.57 kg per ton of glass produced. However, effective implementation of supplementary measures led to a notable 14.2% reduction in particulate emissions, down to 0.023 kg per ton of glass produced.



WASTE GENERATE

KG WASTE/T PACKED GLASS

SPECIFIC WASTE GENERATED WITHOUT INTERNAL RECOVERY

In addition to emissions management, BA has implemented a comprehensive waste management system across all its facilities. By focusing on reducing internal waste generation and maximizing waste recovery through proper sorting, our efforts have resulted in an impressive waste recovery rate of 99%. This includes reintroducing internal cullet into the production process and effectively managing filter dust and sludge from our wastewater treatment plant.

In 2023, the specific rate of total waste generated was 148 kg per ton produced, with non-recovered waste at 6.6 kg per ton produced. Investments in the Bucharest, Plovdiv, and Avintes plants led to a 61% increase in non-recovered waste compared to the previous year.

ENVIRONMENTAL MANAGEMENT SYSTEM & CERTIFICATIONS



BA considers environmental responsibilities an integral part of its global management systems, having implemented an Environmental Management System certified according to ISO 14001 in all its plants. In 2023, we reinforced our commitment to environmental excellence by attaining ISO 45001 certification for all our Iberian plants. Additionally, we successfully implemented and obtained ISO 50001 certification for our Portuguese plants, further underscoring our dedication to best environmental practices. BA places great importance on transparent cooperation with all its plants to ensure compliance with legal requirements. This commitment is evident through the ISO 14001 certification obtained by our plants, demonstrating our dedication to maintain high standards in environmental management.

The Environmental Management System comprises all glass packaging streams, including the design, development, production, decoration and sale of glass containers.

The implementation carried out by BA is guided by the following principles:

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

All BA plants adhere to the Industrial Emissions Directive (IED) and hold environmental permits. We are committed to identify and implement best practices across our plants, continuously monitoring and evaluating their performance to ensure that high environmental standards are maintained.

BA remains firmly committed to global sustainability, placing a high priority on preserving natural resources and reducing its environmental impact. The entire Group is dedicated to continuously improving its environmental performance, driving positive change with unwavering determination.

STANDARD ● PLANT ●		ISO 9001	ISO 14001	ISO 45001	ISO 50001	FSSC 22000
Avintes	AV	✓	✓	✓	✓	✓
Marinha Grande	MG	✓	✓	✓	✓	✓
Vilafranca	VF	✓	✓	✓	✓	✓
León	LE	✓	✓	✓	✓	✓
Venda Nova	VN	✓	✓	✓	✓	✓
Sieraków	SI	✓	✓	✓	✓	✓
Jedlice	JE	✓	✓	✓	✓	✓
Gardelegen	GA	✓	✓	✓	✓	✓
Athens	AT	✓	✓	✓	✓	✓
Sofia	SO	✓	✓	✓	✓	✓
Plovdiv	PV	✓	✓	✓	✓	✓
Bucharest	BU	✓	✓	✓	✓	✓

CHOOSING THE PROJECTS WE WANT TO EMBRACE

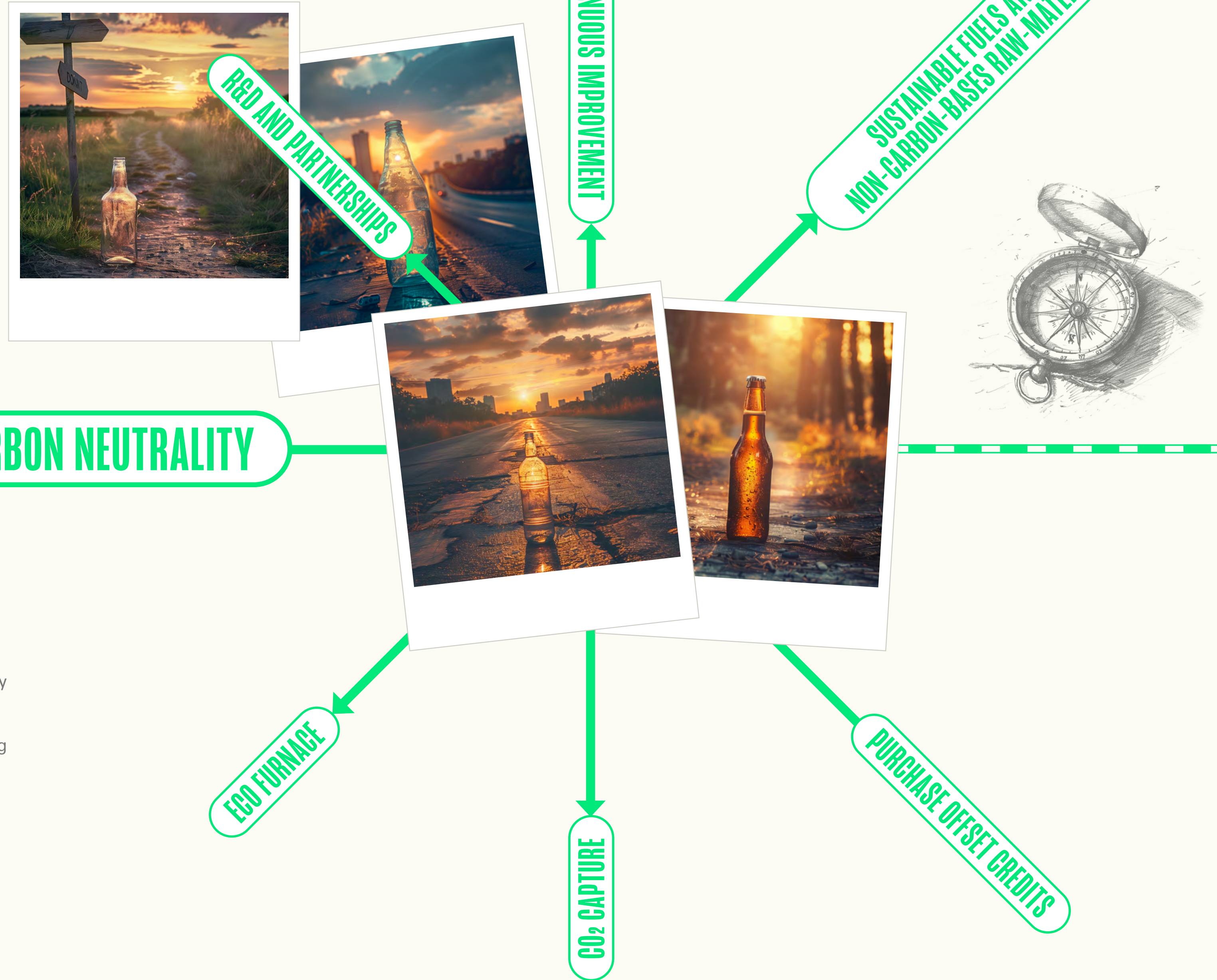
CARBON NEUTRALITY

At the heart of our operations is a commitment to continuous improvement, recognizing that technological disruptions require research and development as well as collaborative partnerships. We understand that achieving carbon neutrality requires access to pioneering technologies, and we acknowledge that this goal cannot be achieved in isolation. Therefore, it is imperative to empower our internal capabilities through strategic partnerships. We firmly believe that this collaborative approach is essential for navigating a future filled with challenges.

Implementing disruptive projects involves substantial investments and additional operational expenses. While the ECO furnace holds great promise, we are allocating resources to various initiatives. Within our industry, CO₂ capture and sequestration remains a significant

goal. Since 2020, we took on this challenge with the backing of our shareholders' fund and a partnership with NET4CO₂. We collaborate with forward-thinking companies and teams who share our enthusiasm for the future. Currently, we are proud members of the Hydrogen Industry Consortium and International Partners in Glass Research (IPGR). Our commitment is rooted in manufacturing top-quality glass packaging using sustainable fuels and non-carbon-based raw materials.

We are also evaluating carbon offsetting projects as a means to achieve the final steps towards carbon neutrality. We recognize that it may not be possible to eliminate a small portion of our emissions, and purchasing offset credits is one option we are considering to offset this remaining portion.



DID YOU KNOW THAT...



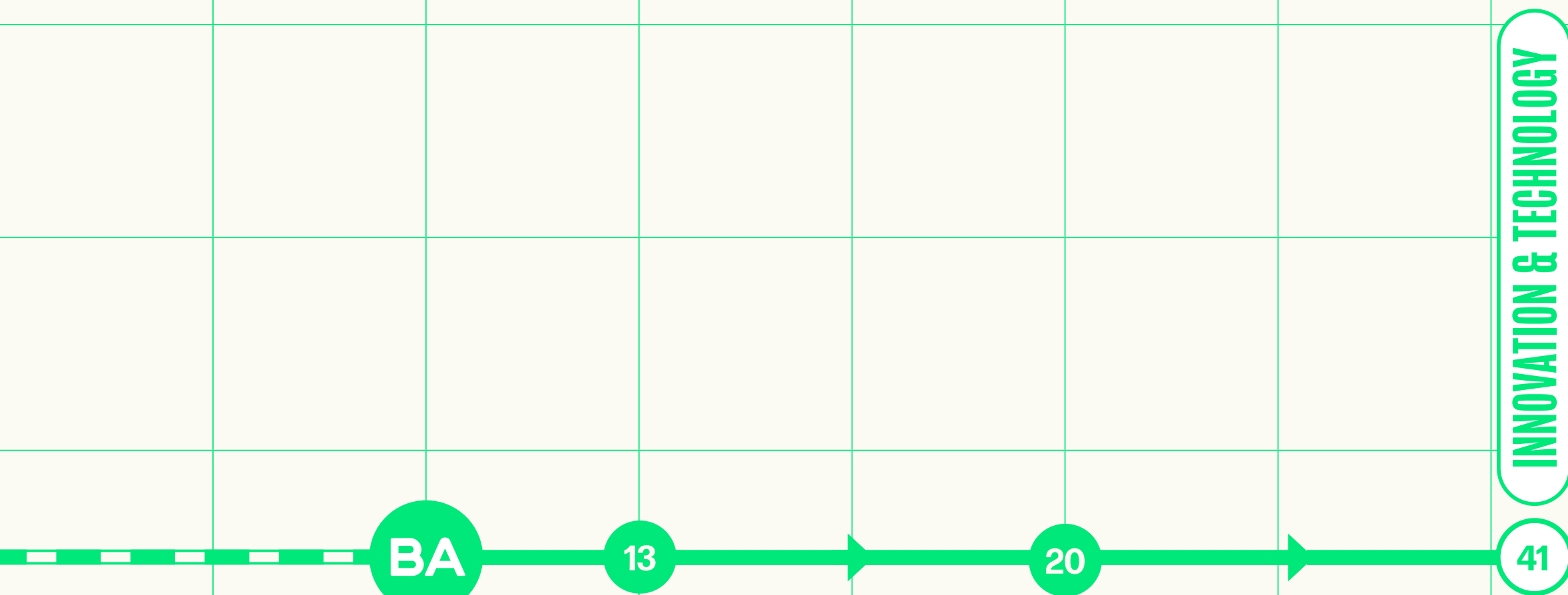
glass containers
can provide
effective UV
protection for light-
sensitive products
like beverages?

new glass furnaces
reduce significantly energy
consumption, leading to
lower carbon emissions
and environmental impact?



glass is made from raw
materials found in nature,
such as sand, soda ash
and limestone, as well as
recycled glass?





DIGITAL TRANSFORMATION

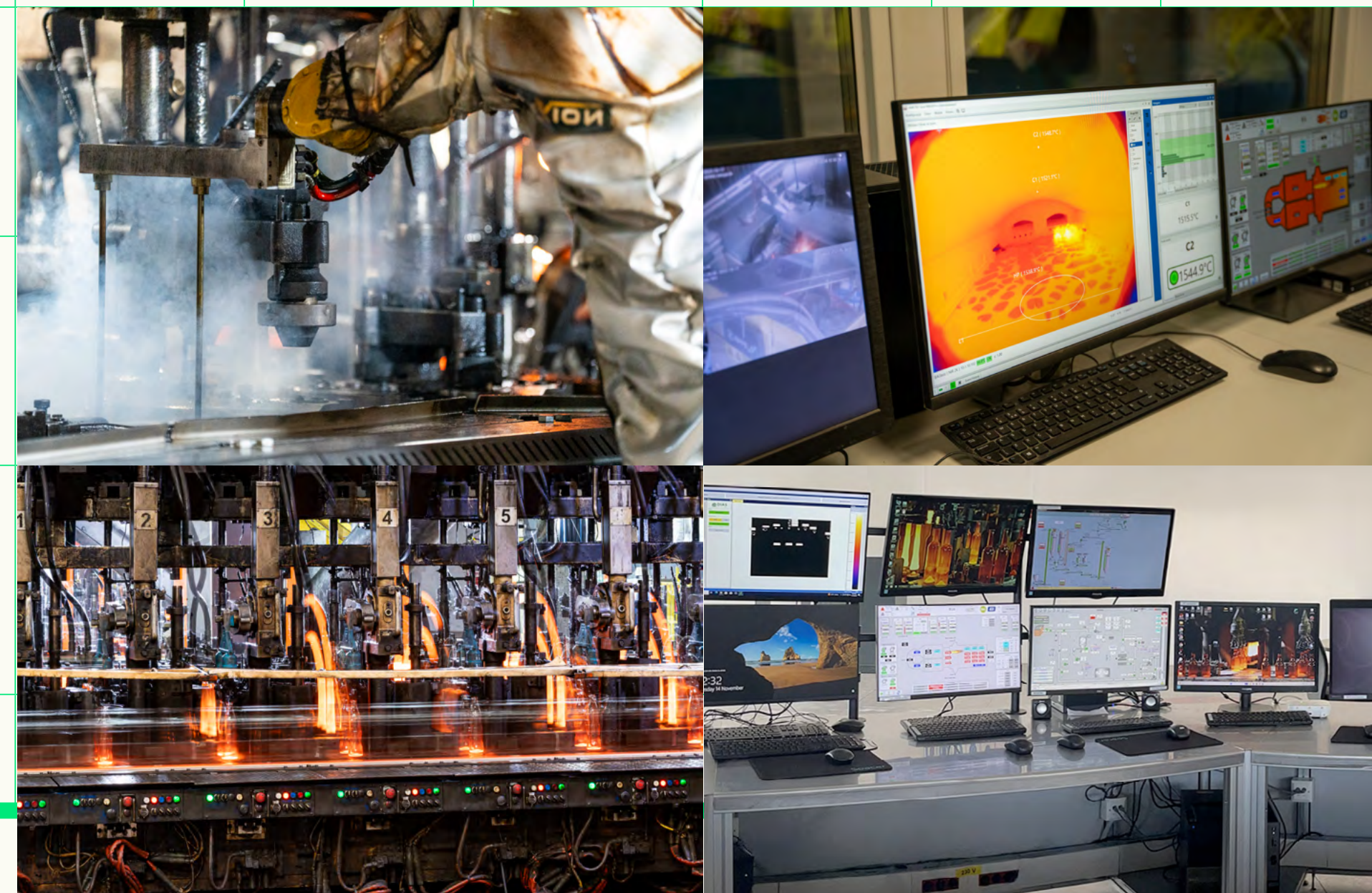


In an era where technological advancements are redefining industries, BA Glass has positioned itself at the forefront of digitalization, leveraging digital tools to enhance efficiency, sustainability, and overall operational excellence and competitiveness. Digitalization is a key component of BA Glass' strategy, and the company has consistently increased its allocation of resources to this area each year, further solidifying its commitment to being a leader in the glass packaging industry.

Significant advancements have been made in BA's digitalization process towards the vision of a lights-out plant, aiming to deliver automated, efficient, and sustainable manufacturing processes by simplifying operations. The first stage of equipment sensing was completed, covering all processes from raw materials to the warehouse, allowing for better monitoring and control of production processes.

Additionally, several initiatives utilizing analytics were developed and implemented, with data now playing a more decisive role in the plant's decision-making process, contributing to a new digital way of working. Automation initiatives have increased, with the widespread use of swabbing robots throughout the company and disruptive developments in the Cold-End processes.

DIGITAL TRANSFORMATION



Process Transformation Robotisation, Sensing & Automation

The acceleration plan to standardize and deploy advanced process control tools has been extended to all divisions, aiming to improve consistency and productivity.

In the hot end, more lines were equipped with process tools such as swabbing robots, gob control, and infrared monitoring. These additions provide continuous process data, accelerate decision-making, enable closed-loop systems, and support advanced analytics initiatives.

The cold end has also undergone an acceleration plan, focusing on automation, mobile robots, and data tools, taking us one step closer to achieving a lights-out plant.

End-to-End visibility

The BA MeX, with its industrial property IoT platform, centralizes all shop-floor data in a single manufacturing system-based solution. It offers real-time visibility and integrates all stages of the process, from raw material storage to product warehousing. This integration provides a clear and valuable representation of process data, enabling faster and more proactive decision-making at the shop floor level.

BA MeX plays a crucial role in ensuring business continuity and driving digital transformation. By increasing process data collection, we support advanced analytics initiatives and gain valuable process knowledge, fostering a data-driven culture. We have prioritized the development of features such as digital work instructions to disseminate knowledge throughout the organization.

By providing shop-floor operators with fully digital workstations and standardized work processes, we promote consistency, minimize downtime, and ultimately deliver higher-quality products. We have focused on ensuring that shop-floor operators are equipped with the right tools to make the right decisions at the right time.

To facilitate seamless communication between the hot-end and cold-end areas, we have introduced a new digital information feature. This enables real-time information exchange, fostering collaboration and enhancing operational efficiency. By equipping our operators with these digital tools, we aim to streamline our processes, increase productivity, and ultimately deliver better products.

Advanced Analytics

By leveraging advanced analytics, BA Glass can not only optimize its current operations but also position itself as an industry leader with the agility to adapt to future challenges and capitalize on emerging trends. The introduction of digitalization, additional sensors, and vast amounts of process data has increased complexity in prioritization and decision-making.

To address this, we have developed tools to monitor production variables and lab tests in real-time, enhancing analysis and predicting/warning of deviations. These advancements are driving production efficiencies and quality to higher standards. Digitalization is also delivering significant value in energy optimization and sustainability, with the development and live testing of a furnace digital twin.

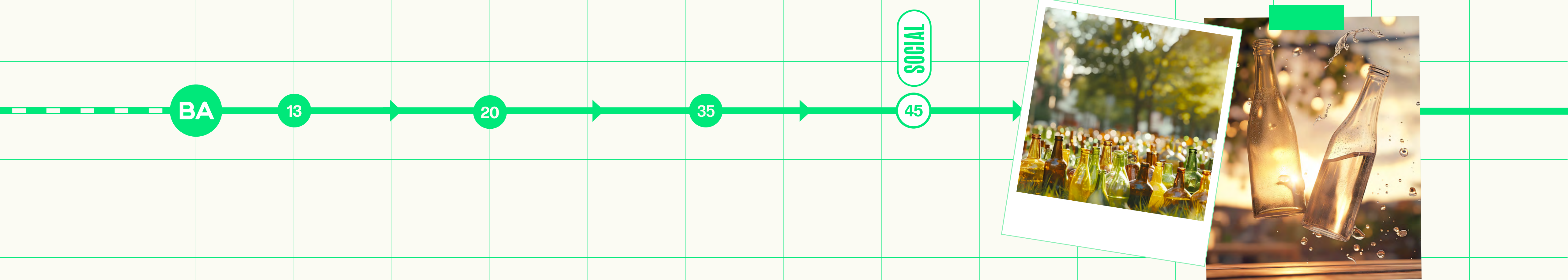
A robust data governance strategy utilizing cloud capabilities has been implemented, accelerating the development and scaling of advanced analytics tools. These technologies enhance our ability to communicate results faster, expedite the decision-making process, and standardize production and operational practices across all plants—key factors as we continue to expand our business in various geographies.

Glass, a material from the past into the future

Glass is a permanent, inert material, which can be reused and recycled to infinity without risking human lives, as no other material. The continuous reduction of CO₂ emissions (scope 1&2) will make glass not only the best material for our health but also the most sustainable.

GLASS IS FOREVER!





OUR PEOPLE

The BA Glass group now operates in two continents, eight countries, and employs nearly 5,000 people from 15 different nationalities.

Our quest for growth knows no bounds. We strive to nurture and develop our people while embracing innovation and digitalization. BA Glass aims to meet customer demands while improving working conditions for our employees. With a stronger and more cohesive team, we are prepared for the challenges that lie ahead.

Our vision of "Wrap dreams beyond packaging" drives our growth strategy and influences our actions and priorities. We are inspired to reshape industries, exceed expectations, and unlock limitless possibilities.

BA Glass's remuneration policy reflects our dedication to developing and retaining top talent in competitive markets. Seeking long-term sustainable value, our policy is designed to ensure alignment between strategic business goals and individual/team operational objectives. We provide competitive compensation packages that include equitable salaries based on performance and prevailing market conditions. In addition to the fixed remuneration stipulated in collective or individual labor agreements, many of our employees are eligible for a variable component. This element serves as an effective mechanism for motivating and rewarding the achievement of both individual and business performance goals annually.

Our People Assessment & Development (PAD) methodology incorporates feedback from our employees and involves all managers in a process that ensures fair alignment of performance and the creation of development plans, enabling personal growth within the BA Glass group.

In recognition of their pivotal role in driving transformation and ensuring the company's sustainability, our top executives and senior managers are eligible for a three-year deferred bonus plan under specific regulations. This remuneration component reflects their direct engagement and contribution in shaping and executing the company strategy. It acknowledges their vital contributions and shares the value they create.



OUR PEOPLE



Nr° of People (FTE)

2021

3990

2022

4012

2023

4967

GENDER

Female

18%

Male

82%

AGE

>=50

3%

<=29

16%

40>49

50%

30>39

31%

SENIORITY

31>40

8%

>40

1%

<1

12%

11>30

37%

1>10

43%

GEOGRAPHY

GR

4%

GB

2%

MX

20%

PT

24%

BG

16%

RO

7%

PL

12%

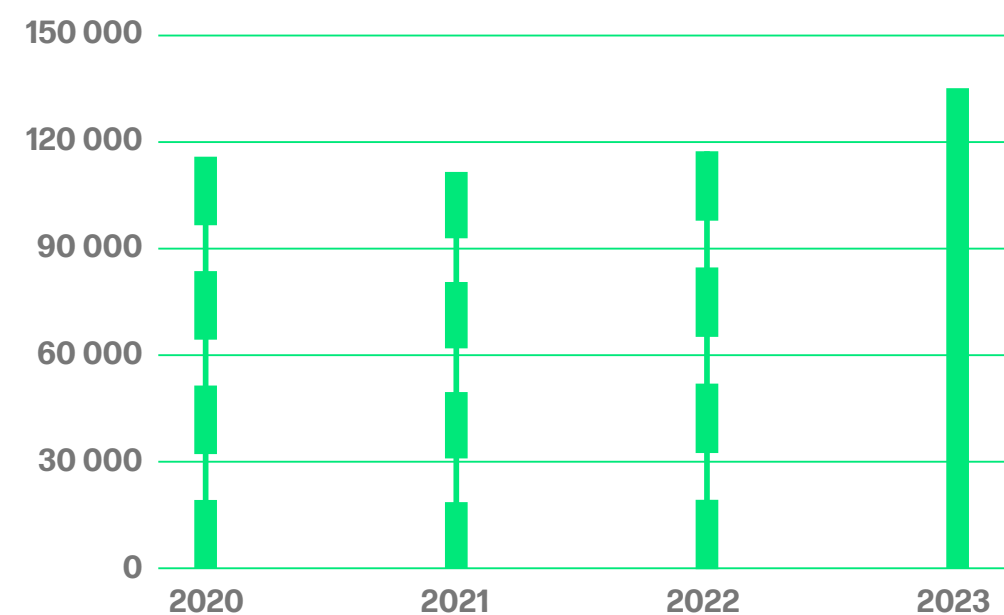
DE

3%

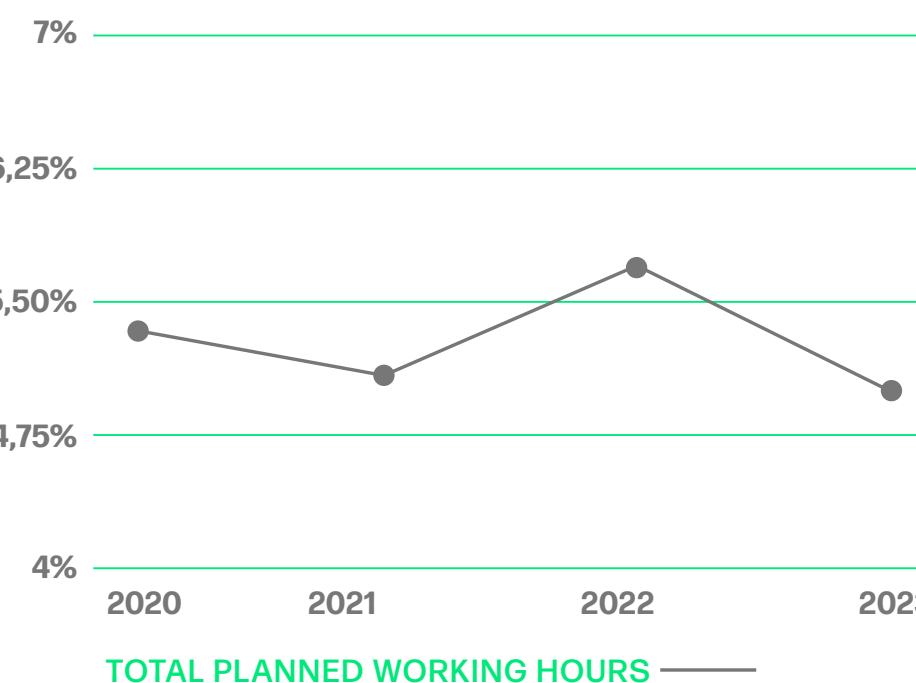
SP

13%

PERSONNEL COSTS (K.€)



ABSENTEEISM



GOVERNANCE

SOCIAL

INNOVATION & TECHNOLOGY

ENVIRONMENT

GET TO KNOW US

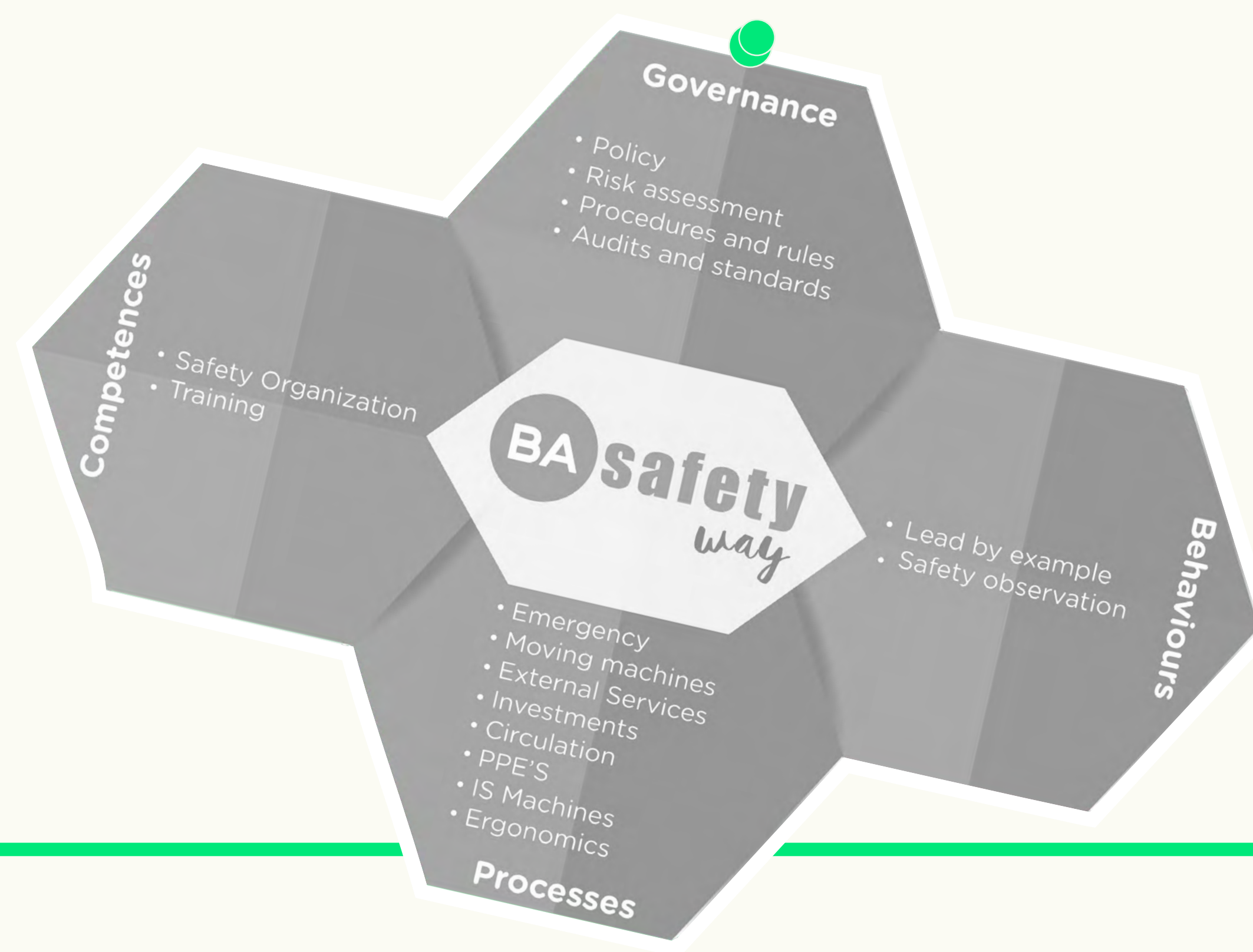
SUSTAINABILITY

2023
Annual
Report

BA

47

HEALTH & SAFETY



Health and Safety is a core value in BA's strategy, as we continuously seek to provide and enhance safe and healthy working conditions. Our commitment to preventing work-related injuries and promoting well-being is not only a moral imperative but also a driving force behind our competitiveness and productivity, actively contributing to our shared success.

Our goal is to achieve zero accidents. We continuously eliminate workplace hazards, reduce OH&S risks, and prevent incidents by incorporating various inputs, including valuable insights gathered from worker surveys and active participation. In our pursuit of safety excellence, we have continued to enhance our BA Safety Way. Throughout the year, we have dedicated resources to equip our employees with the necessary technical skills, tools, and cutting-edge technology to prevent accidents.

COMPETENCES

Safety Leaders Program

The Safety Leaders Program empowers individuals, promotes self-awareness, and enhances skills to foster a strong safety culture. This program aims to reinforce the promotion of BA's Safety Culture. The Investment HUB introduced an onboarding safety training with a compelling video to train external companies on BA's rules and procedures.

Safety Talks

Drive safety awareness and engagement among BA employees through Safety Talks, aimed at sharing vital information on current trends, such as accidents, near misses, and best practices. In 2023, we conducted an impressive number of 1,748 talks, nurturing a positive safety culture across all teams and throughout the organization.

PROCESSES

Safety HUB's

Following the successful completion of the inaugural series of Safety HUBs, our commitment to proactive risk management remains unwavering. In 2023, we kept the enlarged scope and focused in other critical areas of concern, namely Fire and Non-Core activities, recognizing their profound significance. Additionally, due to its enduring importance, the Production Machines HUB will remain an integral part of our comprehensive workstreams.

BEHAVIOURS

Cross Audits

we are delighted to resume Health & Safety Cross Audits. These audits not only ensure procedural compliance but also assess safety behaviors and facilitate the sharing of best practices. They serve as a crucial reference point for understanding the diverse realities within our organization, reinforcing our commitment to safety.

Safety Walks

Our Management team conducts regular walks to identify risks within our plants. In 2023, we successfully completed over 2,243 walks, including safety assessments made by each Executive Board member. These walks help us proactively address potential hazards in social areas and minimize the risks associated with back injuries.

Near Misses Matrix

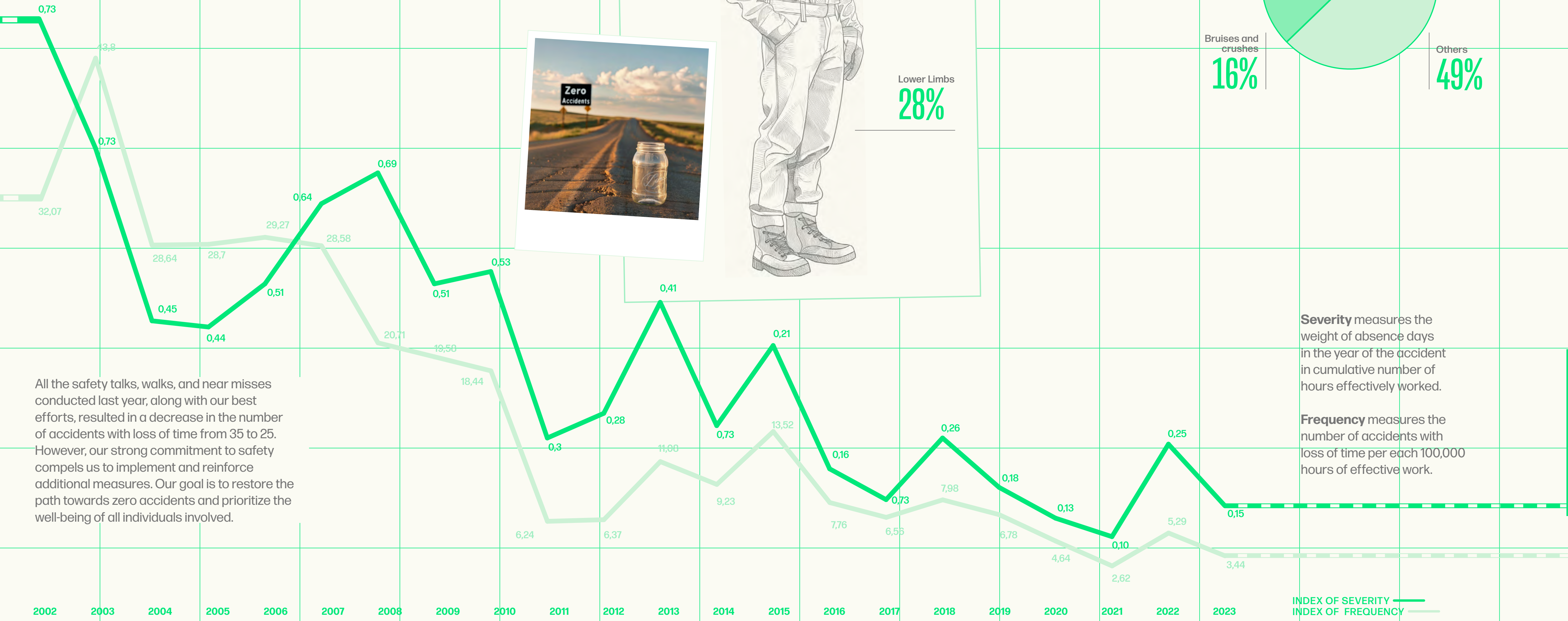
We introduced a user-friendly platform designed to report and address hazardous situations effectively. In a remarkable achievement, we successfully assessed and addressed more than 4,000 events in 2023, more than the double of 2022, ensuring the awareness of the tool, safety and well-being of our workforce.

GOVERNANCE

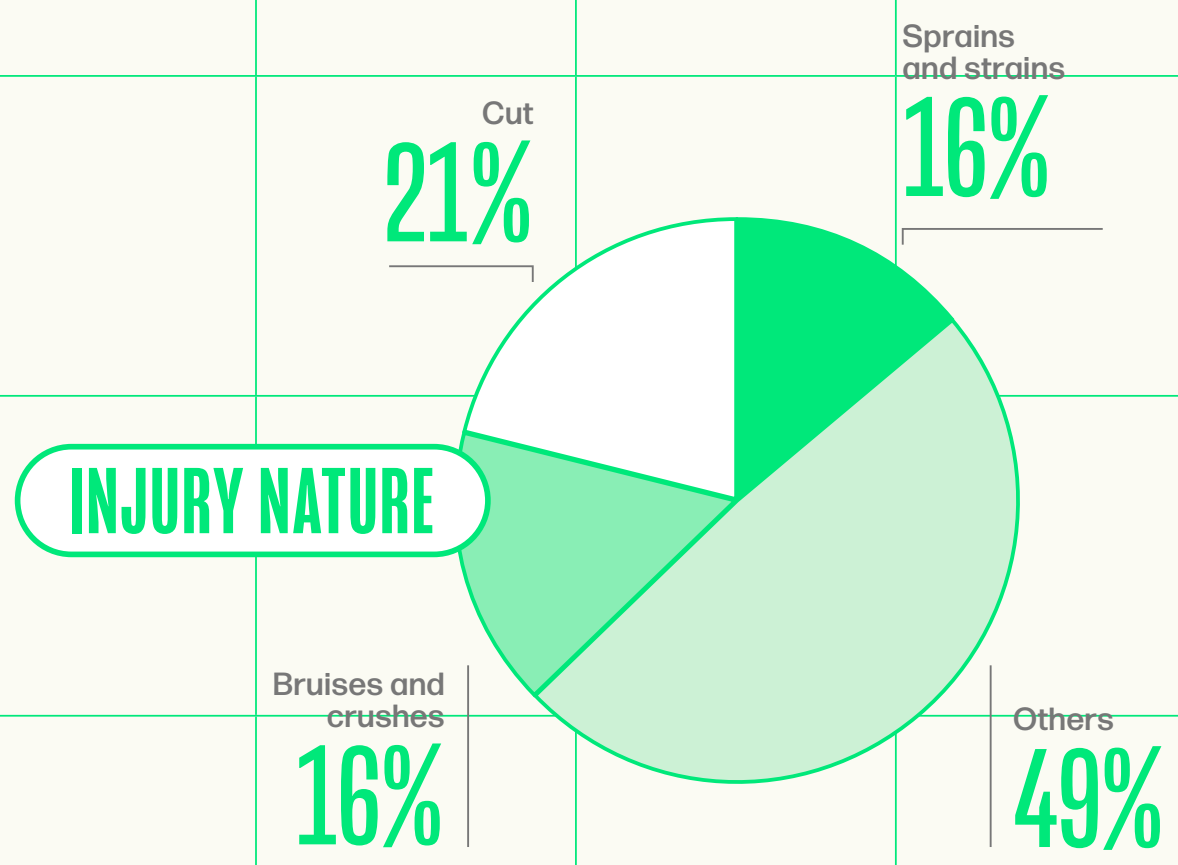
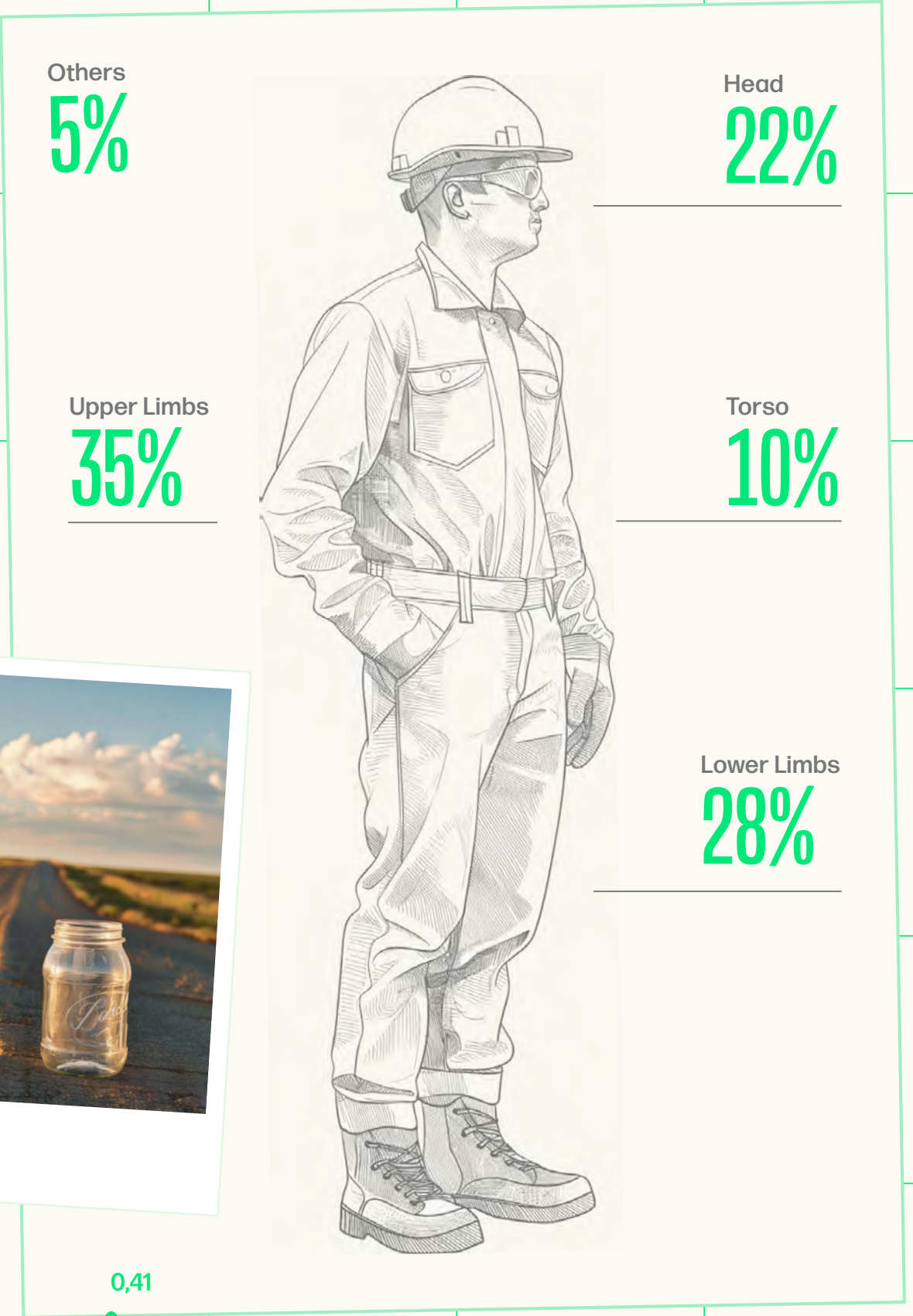
E-Coordina platform

This year, we achieved significant milestones by consolidating and implementing the E-Coordina project within our Group, extending its reach to Greece and Bulgaria. This innovative platform simplifies the management of external company documentation, ensuring efficient compliance with H&S obligations through agile digital processes.

BA goal is to reach zero accidents



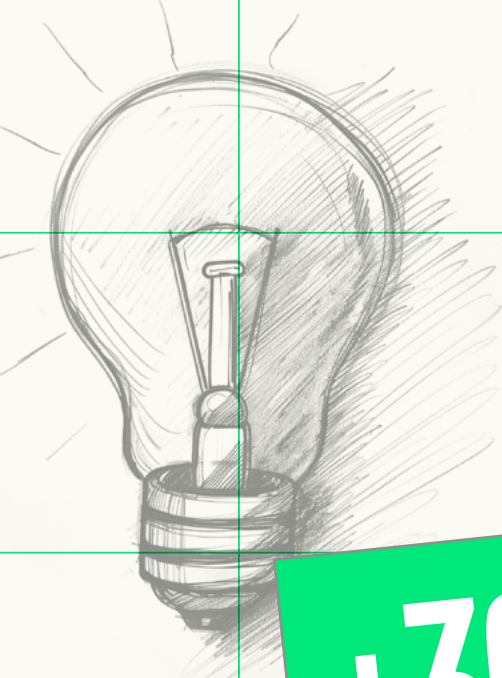
All the safety talks, walks, and near misses conducted last year, along with our best efforts, resulted in a decrease in the number of accidents with loss of time from 35 to 25. However, our strong commitment to safety compels us to implement and reinforce additional measures. Our goal is to restore the path towards zero accidents and prioritize the well-being of all individuals involved.



Severity measures the weight of absence days in the year of the accident in cumulative number of hours effectively worked.

Frequency measures the number of accidents with loss of time per each 100,000 hours of effective work.

LEARNING TOGETHER



+30%

Ownership is part of our principles, and in recent times, its importance has been increasingly clear. We truly believe that every employee, regardless of his/her location, department or role is essential to drive disruption and continuous improvement at BA. Inspired by our values and principles, we actively include every employee in 2023 in meaningful activities that foster personal development and help to the overall success of our organization.

BUCHAREST

8.74%

MARINHA GRANDE

6.73%

Suggestions Program

The Suggestion Program is a program created to encourage the sharing of ideas.

Each idea you submitted can make a difference in the plant, in daily routines and in people's well-being. The program encourages the spirit of thinking of simple solutions, being willing contribute to developments in the departments, the plant and BA as a group. Through this program, people have the chance to implement their ideas and contribute to continuous improvement and a culture of excellence.

In 2023, the number of suggestions made and implemented within the BA group increased by 32%. We proudly recognized an employee from the Sofia Plant with the "BA Suggestions Program Award" for the solution that greatly improved process efficiency.

Social Survey

In 2023, all employees, from all geographies were invited to participate in the social climate survey, which is carried out every 2 years anonymously, in order to help the company to get to know how is the global feeling in BA. Topics such as leadership, communication company culture and values, general satisfaction, training, working conditions, and career development, are assessed and this year 2 new topics were included: Food safety awareness and diversity, equity and inclusion. The outcome of the survey is always analyzed by an external company which gathers all the information ensuring the credibility of the results. An extensive analysis of the results lead us to the preparation of actions plans to intervene on identified improvement topics. In 2023 we achieved an impressive 98,7% of participation rate across the group.

Learninghubz

Learninghubz, our self-learning space, is made up of small courses from the best and most relevant schools, authors and speakers. The catalogue contains topics ranging from negotiation to AI and gives the user a quick overview of the knowledge that will empower them and boost their personal and professional growth.

This year we invested in the creation of BA tailor made courses with relevant themes for the organization such as: customer value in the Value to Grow project and the PAD training course.



Annual Management Meeting

In the middle of a challenging year, June was the moment to stop and set ourselves new and more ambitious goals. With the motto "exploring the value", our Annual Management Meeting brought together more than 240 participants representing 13 different nationalities, in the European capital of Spain, Madrid.

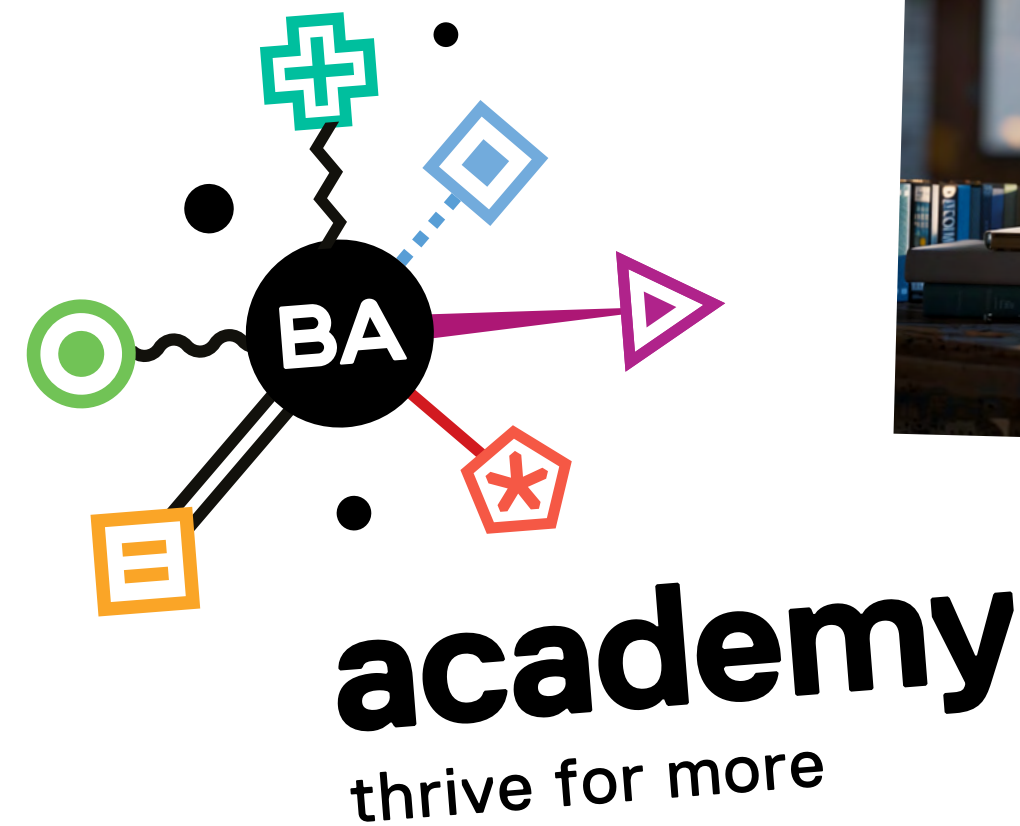
From innovation to sustainability, during the meeting we engaged in dynamic discussions where different topics were explored with our people standing out as the driving force that shapes our company's path.

As we navigated through diverse perspectives and experiences, this was a moment to inspire and align our management vision, fostering networking and team-building among colleagues from different locations.



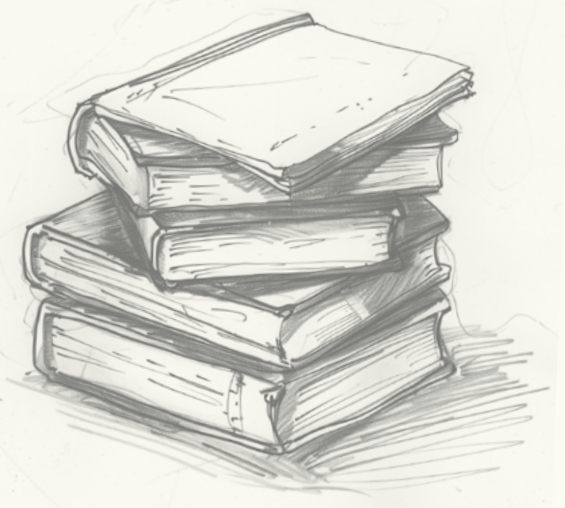
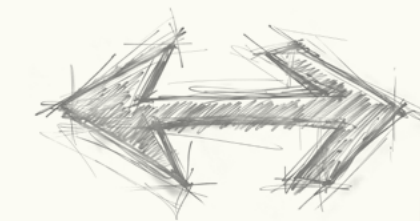
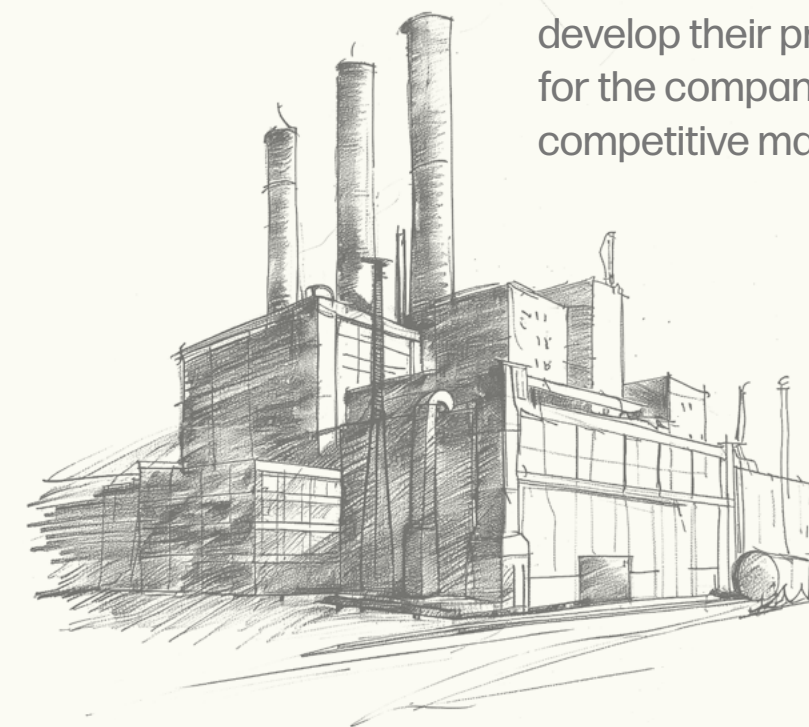
TRAINING

Spreading the seeds of BA Knowledge



Dual Learning

Our Dual Learning programs are long-term projects designed to integrate academic learning with practical experience. Over three years, students in technical courses split their time between their regular public school and BA Glass facilities. These programs have been in place Currently, the program is available in Poland, Romania, and Spain, with the structure and focus customized to each plant's specific needs. The most successful students often have the opportunity to continue within the company with us, gaining valuable experience and becoming our ambassadors. These Dual-Learning initiatives are crucial for both the students and BA Glass, as it allows the students to obtain experience and develop their practical skills, and it's the opportunity which help for the company us to identify and attract skilled individuals in a competitive market, investing in the best talent.



At BA, the preparation for the future begins in the present. We are committed to developing the competences of our employees, leveraging knowledge and taking a step forward in developing the knowledge, and our training experiences have provided new tools for people to apply in their daily work and career path.

We have a strong culture of teaching, a huge willingness to learn and an ambition to apply the knowledge received, and this transfer of knowledge is fueled by a commitment to learning and improving.

The **BA Academy** is divided into the following schools: **Leadership & Management, Systems, Digitalization, Operations School, TWI and Customers & Consumers.**

During 2023, we accelerated the training journey by organizing e-learning, face-to-face and immersive training experiences, promoting culture, innovation, soft skills and technical knowledge throughout BA's geography. With a strong commitment to spreading the seeds of knowledge, we are confident that we are building a safe and attractive place, where the knowledge we promote is the best tool to prepare us for the next big challenge.

We will continue to develop digital knowledge and prepare the mindset of our people for constant technological changes, continually supporting the digitalization of processes, methods and ways of working.

At the same time, we will continue to support the upskilling of our employees' operational knowledge and boost TWI (Training

With Industry) and the ways of spreading specific technical knowledge.

As part of our continuous learning mission, the Systems School plays a key role in accessing safety, quality, environment, energy, food safety, and social responsibility trainings, ensuring that knowledge is consistent with standards.

The School of Leadership is a soft skills parade ground, where key competences are developed for people's personal and professional development. The greater we become, the greater our success.

At BA Academy, our mission is to leverage the development of our people by supporting a culture of excellence and innovation, driven by humbleness to learn, one of our HeART beat values, and achieving superior performance.

CELEBRATIONS



SILVER

GOLD

BRONZE



Eduard Martinez & Anna Fuentes Guil
EINA - University School of Design and Art of Barcelona, Spain



Ana Branquinho & Ana Rita Carvalho
University of Aveiro (Portugal)



Rafael Rolo & Victoria Tavares Silva
University of Aveiro (Portugal)

The Glassberries Design Awards is our annual packaging design contest aimed at promoting glass packaging, rooted in four key pillars: Solid Identity, Creativity, Innovation, and Sustainable Development.

For the 11th edition, BA Glass extended a unique challenge to 11 universities across Europe: to craft returnable glass packaging for the food segment, targeting four specific sub-segments: dairy products and plant-based alternatives, ready-to-eat meals, herbs and spices, and dressings and sauces. Beyond designing the glass packaging itself. Design students were tasked with developing a returnable service that maximizes the advantages of glass characteristics and identifies market opportunities where glass is currently underutilized but could offer significant benefits.

This topic holds immense relevance in European markets, where regulations set recycling and returnability targets for all packaging, inevitably shaping the future of packaging, including glass.

CELEBRATIONS

VIP ACCESS

GLASS
SECRETS
SESSIONS
BEHIND-
THE-SCENES
MOMENTS



Celebrating

"Glass Secrets" Sessions

A highlight of the year was our pioneering "Glass Secrets" sessions, our exclusive events where we open our doors to our customers and give a behind-the-scenes moment at the world of glass packaging.

At Glass Secrets, our clients learn about all aspects of our business, from **Sustainability to Innovation, from New product Development to Quality and Production Process**. This year BA team, run 10 different and tailor-made sessions in our facilities, spreading the knowledge among 110 people.

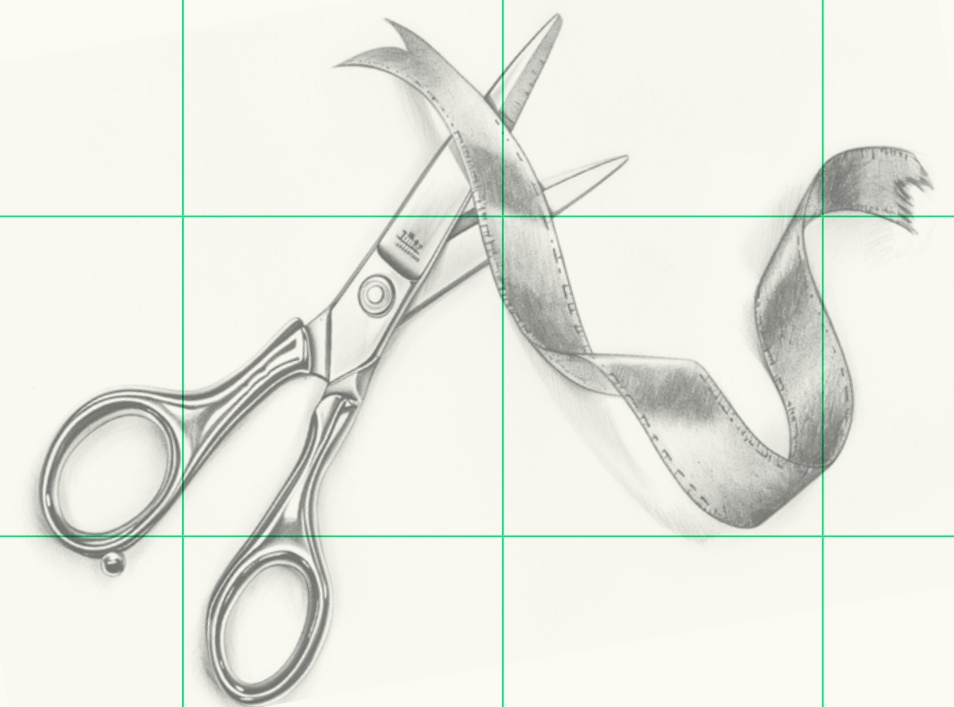


Sieraków and Bucharest Inaugurations

In the last quarter of the year, we opened the doors of our plants and inaugurated two new furnaces, in Sieraków, Poland and Bucharest, Romania.

These events represented a significant milestone in our company's journey, underscoring our commitment to growth and innovation, that we were delighted to share with our clients, suppliers, partners, employees, and other stakeholders.

The plants remarkable transformation and their unique features were highlighted during the ceremonies, representing our continued commitment to meet the evolving needs of our customers while allowing us to produce more sustainable glass packaging.

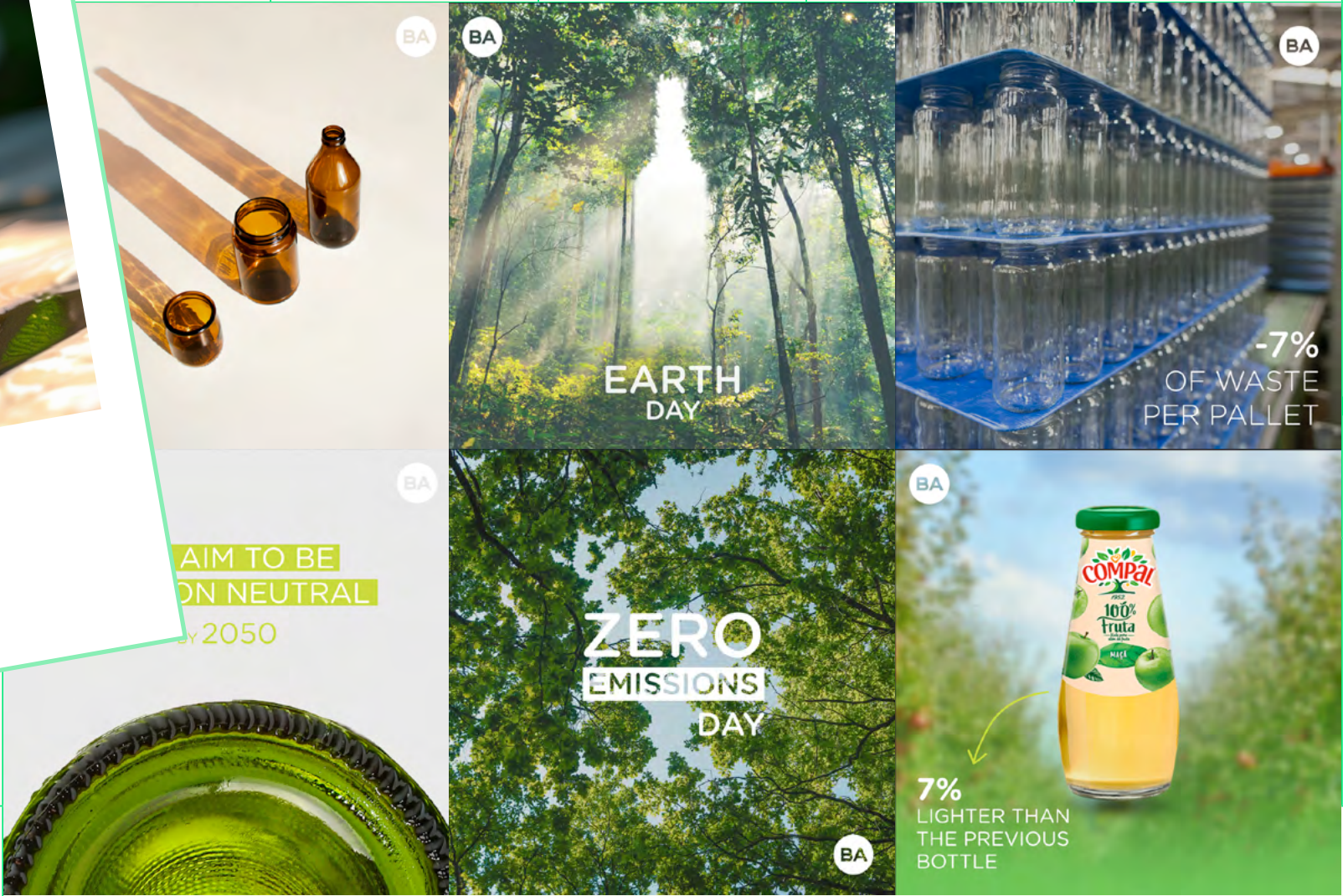


COMMUNICATION



Effective communication within our team and with our stakeholders drives success, fostering transparency and trust, propelling us forward towards our shared vision.

+25.000 Followers 



In 2023, we continued our commitment to effective communication both internally and externally with aim of informing, connecting and inspiring our target audience.

Social media platforms proved to be fundamental in maintaining close communication with customers, partners, and other stakeholders. By sharing our sustainability initiatives and highlighting glass as the best packaging material for preserving food and beverages, we reinforced our commitment with the environment and health-conscious choices.

Internally, our communication initiatives aimed to foster a sense of engagement and connection among our employees. BA App and BA Spot portal were fundamental tools for disseminating information efficiently, ensuring that our employees remained well-informed about company initiatives, values, and achievements. Building upon our dedication to internal communication, BA Glass Podcast continued to be a dynamic platform for employees to engage in discussions on pertinent topics in a relaxed environment, strengthening our sense of community and shared purpose.

SOCIAL ACCOUNTABILITY



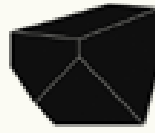
As part of BA's sustainable development strategy, we continue to build on our commitment to contribute to the development of local communities

**STAND4
GOOD**

The partnership with Stand 4 Good, an organization that believes that people make a difference in each other's lives, intends to continue to contribute to an inclusive and fair society. Embracing a Mentor/Mentee dynamic is created an impact in students live by ensuring them a possibility to think about their academic future and development, bringing the academic reality closer to the job market.

42 LISBOA **42** PORTO

42 School fosters not only technical expertise but also essential soft skills such as teamwork, problem-solving and adaptability. By investing in digital skills through our support to 42 School, we are empowering students to enhance their academic and personal development, bridging the gap between education and the job market, and preparing them for the future.

 casa da música

SERRAVES

 Bagos D'Ouro

 Teach FOR ROMANIA

 STEAUA BUCURESTI

 WARTA SIERAKÓW

 TEACH FOR PORTUGAL

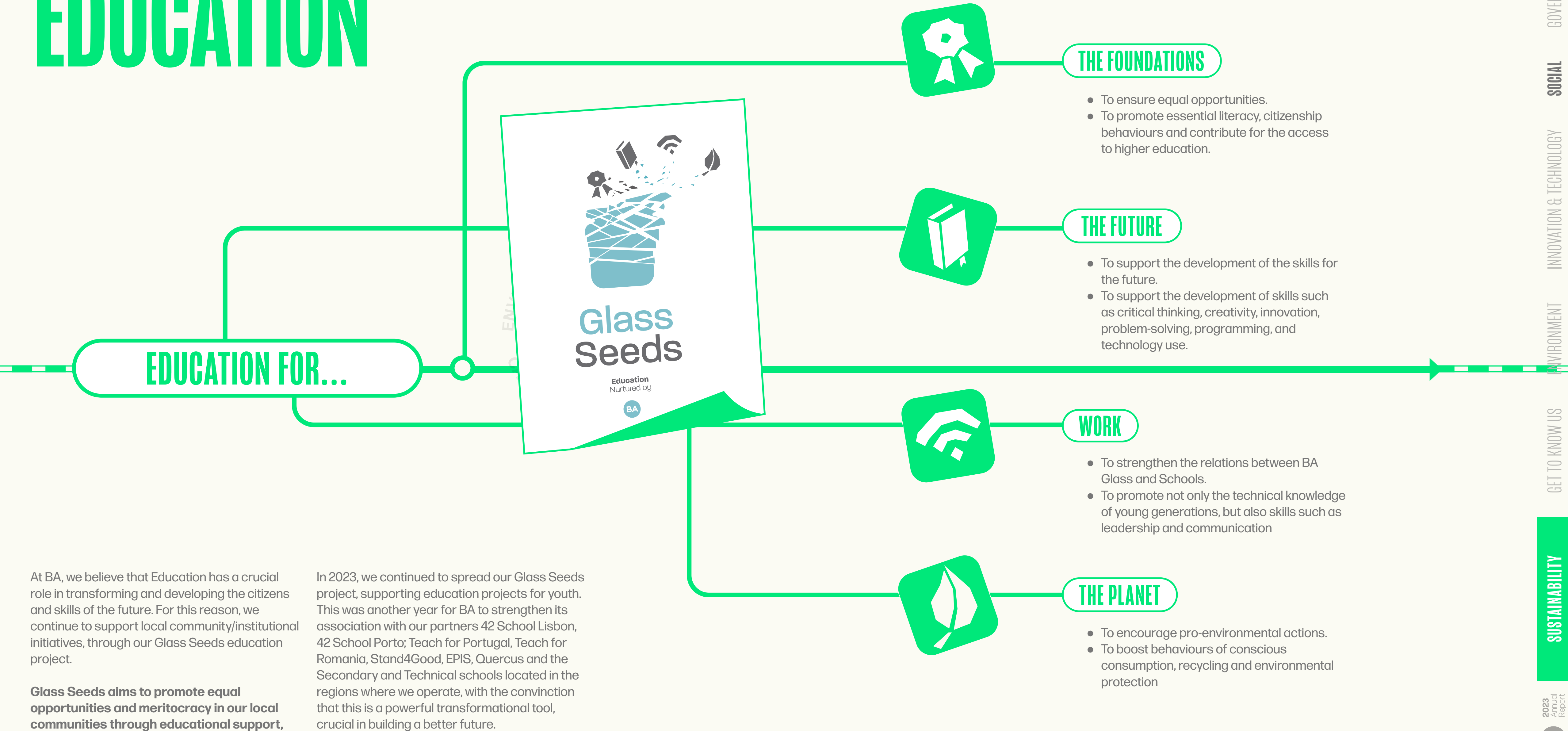
 epis

 UMS Athletic

 FC METALURGI SIBIRSK

 MFA Deutsche Fußballschule

EDUCATION



At BA, we believe that Education has a crucial role in transforming and developing the citizens and skills of the future. For this reason, we continue to support local community/institutional initiatives, through our Glass Seeds education project.

Glass Seeds aims to promote equal opportunities and meritocracy in our local communities through educational support, based on 4 main pillars, Foundations, Work, Future and Planet, developing leaders and citizens for a sustainable future.

In 2023, we continued to spread our Glass Seeds project, supporting education projects for youth. This was another year for BA to strengthen its association with our partners 42 School Lisbon, 42 School Porto; Teach for Portugal, Teach for Romania, Stand4Good, EPIS, Quercus and the Secondary and Technical schools located in the regions where we operate, with the conviction that this is a powerful transformational tool, crucial in building a better future.

ASSOCIATIONS

Build a better future.

BA has made a public commitment to the sustainable development of its activities, based on three fields - economic, environmental and social, complying not only with legal requirements, but also with the principles that the company has endorsed for many years. The pillars of BA's Vision, together with BA's social and environmental commitments, are the basis of our sustainable development, our decisions, and actions. We believe that adopting international standards brings added value to improving the company's procedures and practices, and that certifications are a guarantee of consistency and best practices, important for customers and the whole value chain.

We believe that together we can **build a better future**. Developing partnerships has become the key to progress. 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**, **International Year of Glass**, **IPGR** - International Partners in Glass Research, **Hydrogen Industry Consortium**, **Plataforma Vidro+** and **BCSD Portugal**. BA

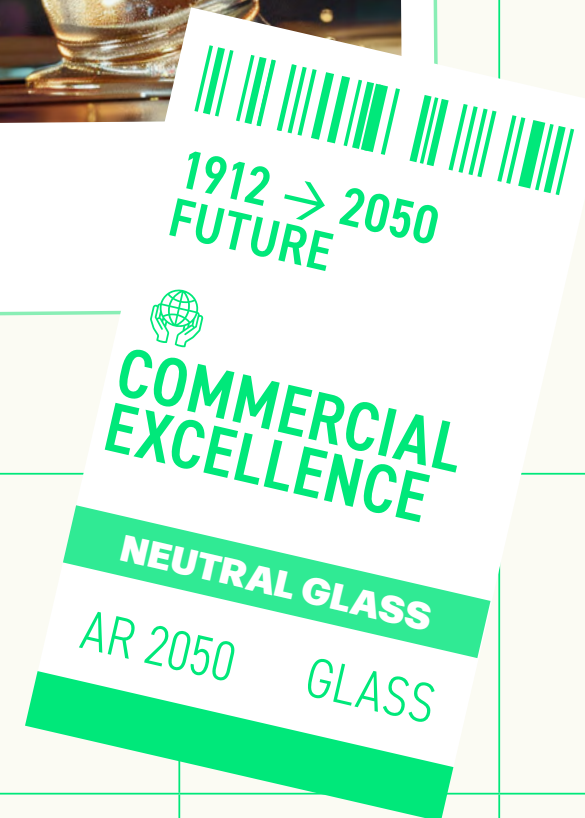
Glass remains an active member of these associations, with particular emphasis on promoting glass as a sustainable and healthy packaging material, and on monitoring national and community legislative initiatives.

We are also part of the **Business RoundTable Portugal**, a Portuguese association which is represented by the largest companies in Portugal with a single purpose: to accelerate the country's economic and social development and to ensure a more prosperous and sustainable place to work and live.

- FEVE
- Food Packaging Forum Foundation
- Polish Glass Manufacturers Federation
- AIVE
- ANFEVI
- Smart Waste Portugal
- IPGR - International Partners in Glass Research
- Hydrogen Industry Consortium
- BCSD Portugal
- Plataforma Vidro+
- Business Roundtable Portugal
- BV Glass



CUSTOMER VOICE



1º

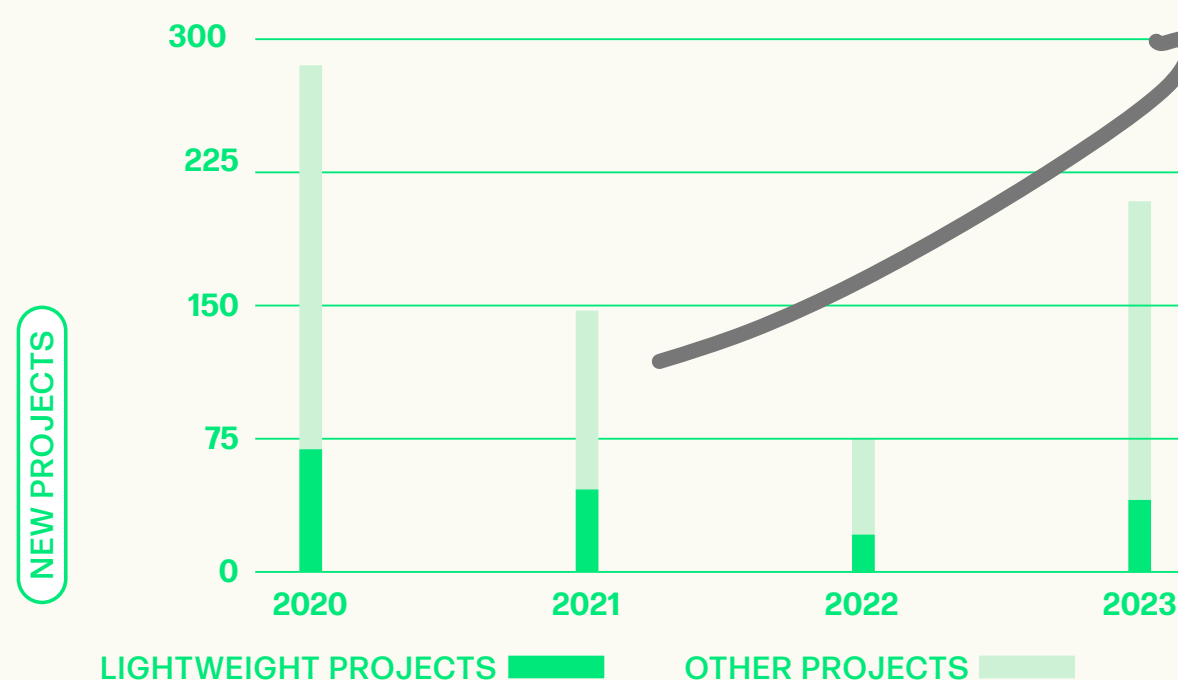
Product Quality

2º

Sales Service

Customer feedback is a powerful tool that enables us to respond to their needs and adapt our actions accordingly. In 2023, product quality and technical customer support were recognized as BA's major strengths, reflecting our team's dedication to operational excellence.

However, in the previous year, our customers rated us lower in terms of innovation. To address this, we developed 134 more projects in 2023 compared to 2022, with lightweight projects more than doubling. Our time to market, a key focus in 2023, decreased significantly compared to last year, which is crucial for success. Additionally, we are expanding the number of customers with whom we co-develop, allowing them to experience our innovation process firsthand.



209
New Projects

BEYOND DESIGN & INNOVATION

DESIGNING *The Future:*

56

COLLABORATION *for Innovation*

New Products

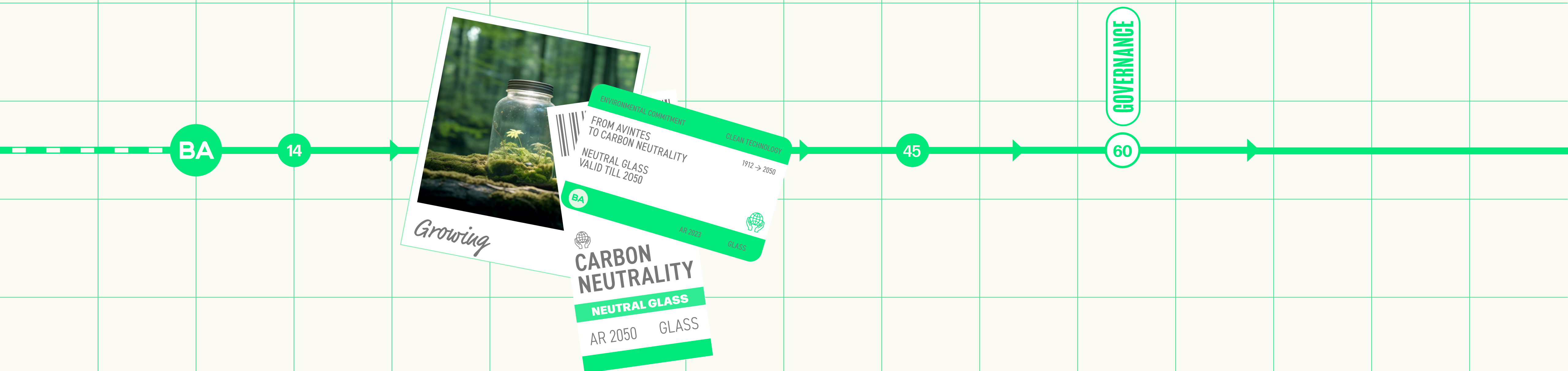
In 2023, 36 successful innovation initiatives were developed to promote operational savings and improvements

As product development allows the portfolio renewal and the entry in new business, 2023 was a year of growth in this field, ending the year with **209 new developments and 56 new products launched in the market.**

As we reflect on the year of 2023, BA Design Team takes pride in a journey marked by creativity and collaboration with our customers. The development of 34 new projects from scratch, offering our customers creative solutions service to help them achieving a competitive and distinctive packaging in glass.

In 2023, our team embarked on other **36 innovation initiatives** with our clients. These collaborative endeavors went beyond conventional practices, uncovering savings and identifying new roads for innovation. Through a transparent communication and a shared vision, we strengthened partnerships and transformed challenges into opportunities.





BA

14

45

60

GOVERNANCE



Growing

ENVIRONMENTAL COMMITMENT

FROM AVINTES TO CARBON NEUTRALITY

NEUTRAL GLASS

VALID TILL 2050

1912 -> 2050

BA

CARBON NEUTRALITY

NEUTRAL GLASS

AR 2050 GLASS

BOARD OF DIRECTORS, EXECUTIVES AND COMMITTEES

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

GROUP BOARD OF DIRECTORS

Paulo Azevedo
CHAIRMAN
Sandra Maria Santos
CEO
António Lobo Xavier
Carlo Privitera

Francisco Silva Domingues
Jacqueline Hoogerbrugge
Jorge Alexandre Ferreira
José Ignacio Comenge
Pedro Moreira da Silva
Rita Silva Domingues
Rui Correia

EXECUTIVE BOARD

Sandra Maria Santos
CEO
Abelardo Lopez
Isabel Monteiro

Iva Rodrigues Dias
MD IBERIA
Javier Teniente
MD SOUTHEAST EUROPE
Luís Mendes

Reinaldo Coelho
Sofia Moreira Alves
Tiago Moreira da Silva
MD CENTRAL EUROPE

EXECUTIVES

Alberto Araújo Soares
Ana Cristina Gonçalves
António Sá Couto
Bruno Lopes
Carlos Vega
Dimitrios Dentsas
Dimitrios Papadopoulos
Georgios Arkoudis

Jakub Kaczmarek
Joana Osório
Luís Cardoso
Marta Faria
Marco Marques
Pablo Garcia
Paula Marinho
Paulo Sá
Pedro Belo

Rafael Corzo
Rosário Sousa
Rui Guimarães
Rui Matos
Sara Barbot
Sylvia Mistrzak
Tomasz Karpiewski
Vanda Ferreira
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 long-term sustainability, as well as a succession plan for each Executive Board member and Executive. It is also BNRC's responsibility to discuss in-depth whistleblowing incidents. The BNRC approves or proposes the nomination of the Executives, 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 multi-annual 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.



CODE OF ETHICS



PRINCIPLES

RELATIONSHIP WITH INTERESTED PARTIES

COMMITMENTS TO ENVIRONMENTAL SUSTAINABILITY

COMMITMENTS TO HUMAN RIGHTS

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 honoring its commitment of recognizing 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 models, 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 considers as an essential factor for the growth and 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

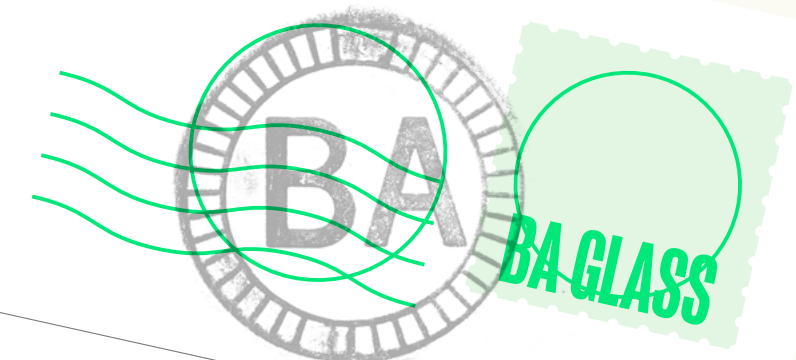
WHISTLEBLOWING



Such occurrences must be reported via the following channels:

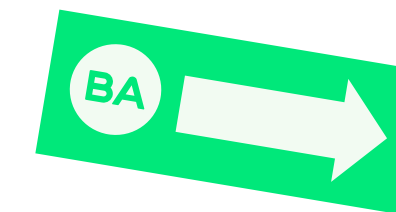
Speak Up!

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



Email
speakup@baglass.com

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



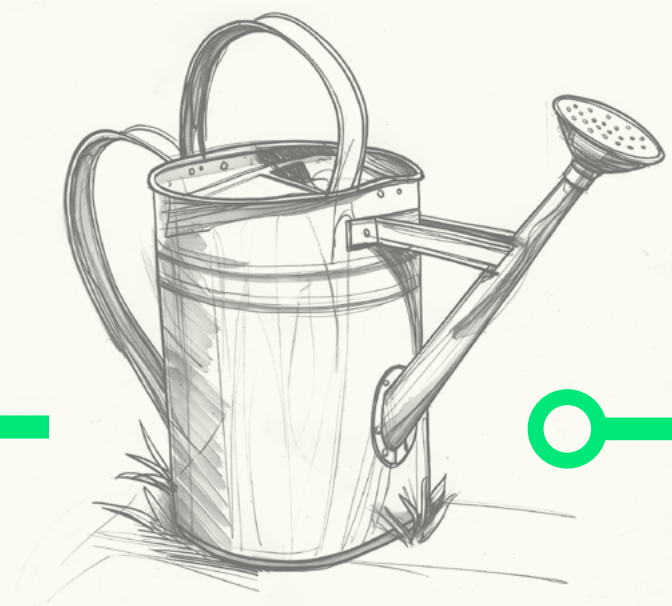
BA Glass conducts its operations in accordance with its core values: Humbleness, Emotion, Ambition, Rigour, and Transparency. With these values in mind, and recognizing the significance of ethical and behavioral considerations, we have established guidelines and communication channels to ensure that individuals can report any known or reasonably suspected irregularities.

Through these measures, we aim to eliminate and prevent any illegal practices allegedly committed by stakeholders, employees, customers, suppliers, partners, or any other entity or individual associated with the BA Glass Group.

We encourage the reporting of any irregularities pertaining to corruption and bribery, fraud, conflicts of interest, money laundering, anti-competitive practices, breaches of confidential information, sexual or other forms of harassment, discrimination of any kind, labor rights, and human rights.

In 2023, several irregularities were analyzed under the speak-up group procedure. The committee decided on the investigation procedures for each of them and took the necessary measures to eliminate or prevent those irregularities.

SHAREHOLDERS VALUE



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 productivity, operational efficiency, and assets turnover. That is our purpose.**

In both 2021 and 2022, BA experienced a significant decrease in profitability, particularly in its EBITDA⁽¹⁾ percentage, declining by 10.8 and 12.7 percentage points respectively compared to 2020. The energy crisis and rising costs led to unprecedentedly high industrial costs, threatening the company's growth capability. Despite efforts to increase sales prices in 2022 through surcharges and price adjustments, EBITDA⁽¹⁾ continued to decline.

In 2023, EBITDA⁽¹⁾ recovered significantly, reaching EUR 533.4 million with a margin of 35.0%, reflecting a 12.5 percentage point increase compared to the previous year. This improvement was primarily due to the adjustment of sales prices at the beginning of the year to account for the cost increases from the previous year. Costs decreased throughout the year, leading to correspondent reductions in sales prices over the same period. Sales increased by 6.4% compared to the previous year, achieving a record value of EUR 1,523 million, driven by positive price effects in the first semester. However, a decline in volume during the second semester limited further growth.

Embarking on an exciting journey, BA sets forth with bold ambitions and a strong investment plan for the coming years. Our destination? To navigate through challenges and steer towards growth, sustainability, customer satisfaction, and the happiness of our people and consumers.

With determination as our wind and innovation as our sails, we embark on this journey, fueled by our commitment to excellence and our dedication to shaping a brighter, more sustainable future for all.

⁽¹⁾ EBITDA is calculated on the basis of net income adjusted for provision for income taxes, financial result, discontinuation of hedging agreements, depreciations, impairment and amortization of intangibles



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THE NEW BA GLASS

BA Glass B.V. 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, its subsidiaries are one of the main players on the glass packaging business and have operating activities in Portugal, Spain, Poland Germany, Greece, Bulgaria, Romania and in 2023 the Group started the operation in Mexico. The Company is registered at the Dutch Chamber of Commerce with file number 34310991.

2023 was an exciting year for BA!

We ended the year producing in a new continent, with a new recycling business and the agreement to increase our Central Europe operation with a new plant in Poland. M&A is a very seasonal activity, every year we put a strong effort on analyzing growth possibilities, most of the prospects are not completed, but this year we concluded three relevant acquisitions.

A historic milestone was achieved with the acquisition of the Mexican company Vidrio Formas. A relevant player in both Mexican and United States market, with a long and strong reputation as glass producer and we are thrilled to enter beyond European borders for the first time.

Additionally, the acquisition of the CP Glass plant in Poland underscored the Group's commitment to the region. We will be able to increase our product portfolio enhancing our capabilities to better serve customers there.

Lastly, the acquisition of Recresco, a company operating in recycled glass processing in the UK, served

as the pinnacle, empowering BA to fulfill its sustainability commitments by leveraging the company's expertise in recycling and increasing cullet incorporation.

As for the recent acquisitions, it was consolidated two months of Vidrio Formas' Profit and Loss statements, alongside the consolidation of assets and liabilities from both Vidrio Formas and Recresco. Considering the minimal impact on our perimeter, this management report will predominantly focus on European glass packaging sales.

MARKETS

Demand experienced a significant decrease in 2023.

Following last year’s post-pandemic optimism, that even with the geopolitical tensions in Europe and the energy crises, was characterized by very strong demand and lack of glass, the macroeconomic environment experienced significant setbacks in 2023. This trajectory, characterized by a vigorous battle against soaring inflation through the implementation of higher interest rates, generated quite expressive negative impacts in the second half of the year. In a short space of time glass turned from scarce to excessive in the market.

Despite the slowdown in inflation and the stabilization of high-interest rates marking the second half, demand remained affected until the end of 2023. The adverse macroeconomic environment started to impact consumer demand, both size and mix, and our customers started to decrease forecasts, and purchasing of glass. Following the replenishment of stocks in 2022, fueled by the optimistic demand, we observed our clients implementing strict inventory control measures in response to a decline in consumer demand.

The decrease in market demand led an industry operating at maximum capacity to cut production by 2.9% in the first half, anticipating a more significant decline in the latter part of the year. The combination of these factors, along with the expanded capacity implemented in 2022 by BA, forced to make the difficult decision of temporary discontinuing some production lines. Despite our efforts to resist this outcome until the last minute, we implemented partial stoppages towards the end of the year to manage inventory levels.

In terms of cost structure, there was an easing of energy costs, as expected. However, stability has not yet been achieved and the values are still considerably higher than those observed before the energy crisis. Prices of raw materials, along with all other consumables, parts, and services, have experienced noteworthy increases. Personnel costs have mirrored a comparable trajectory, helping employees navigate through the rising inflation.

Sales grew 6,4% comparing to 2022, reaching 1.5 billion euros of turnover, driven by price increase as volume decreased. A new furnace in our Southeastern operation (Romania), new logistics facilities (Bulgaria and Romania) as well as higher efficiency

gave us the capacity to enhance the service provided to our customers.

The food and beverage sub-segments displayed varied trends over the past year. Alcoholic drinks faced significant declines, mainly attributed to reduced consumption. The food segment, more resilient, experienced a more moderate decline. Regarding non-alcoholic beverages, 2023 marked the conclusion of the restoration of on-trade channels, indicating recovery in the segment.

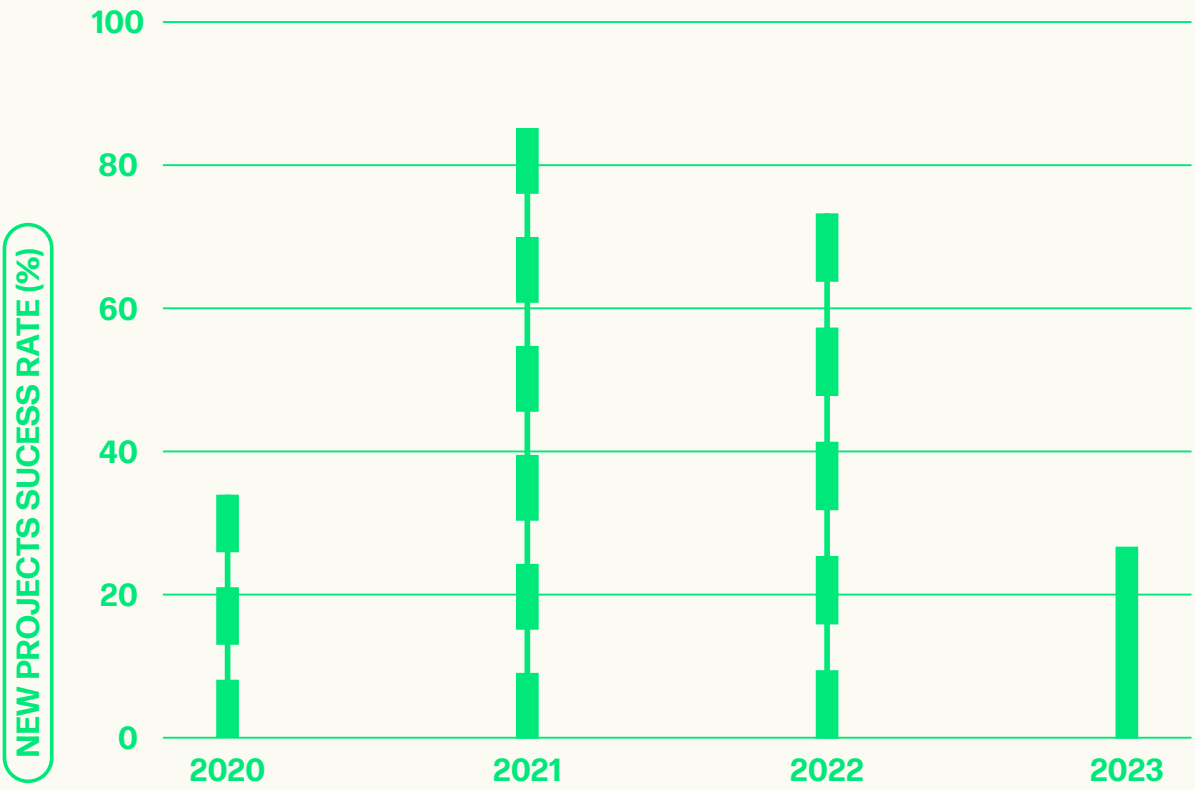
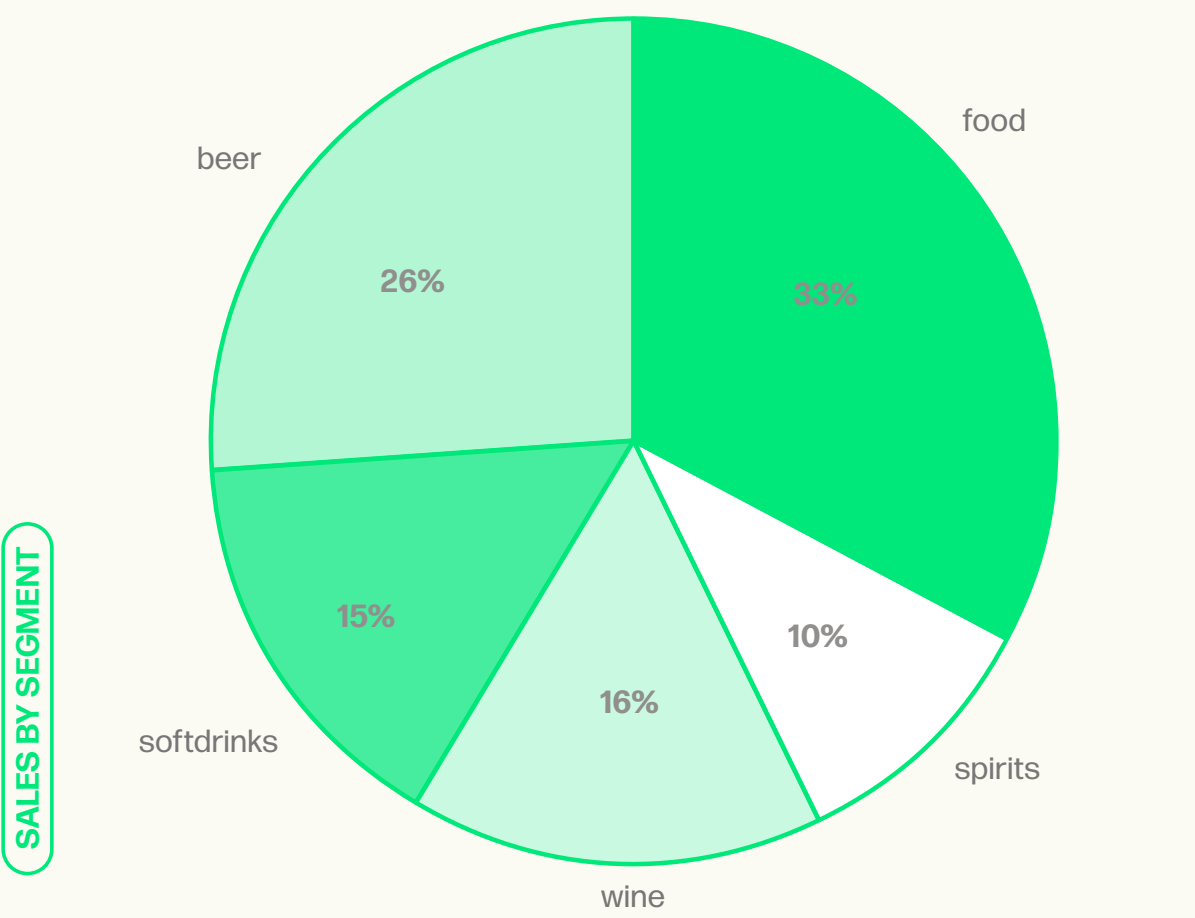
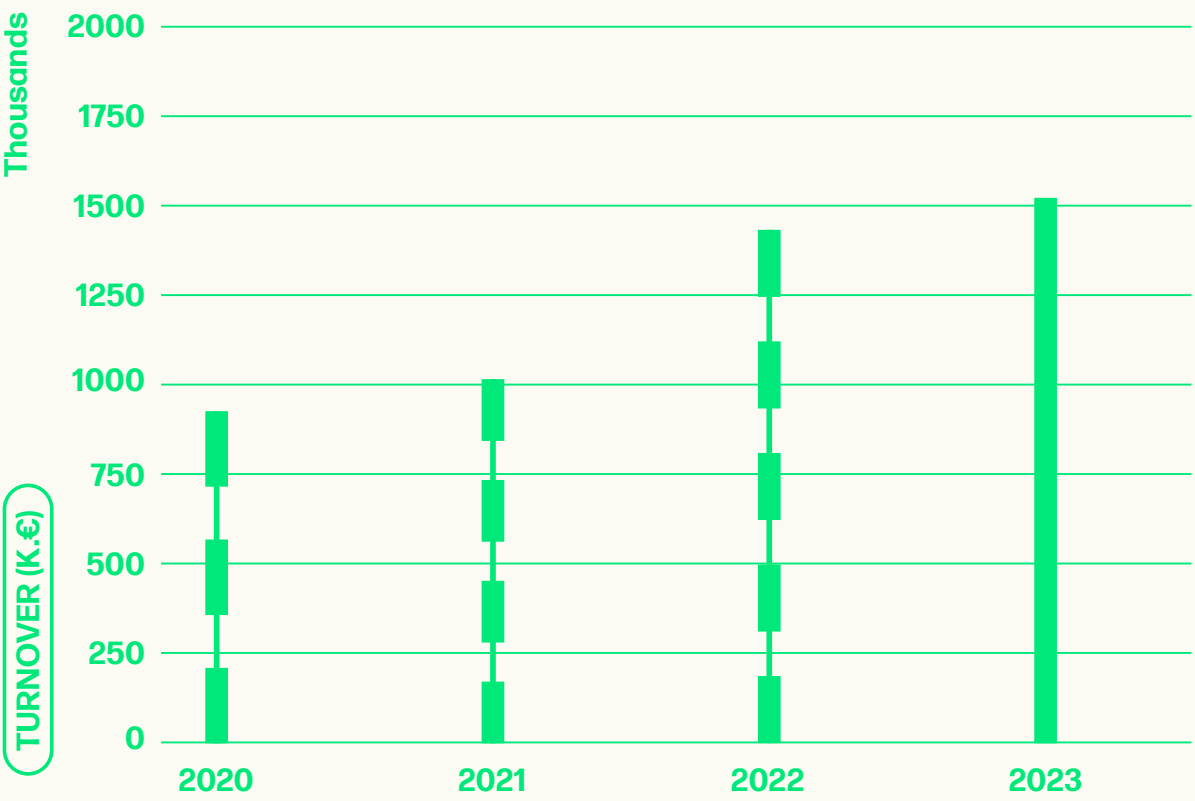
Despite facing challenges, the company stayed committed to supporting its customers’ performance. The demand for glass saw a decrease in 2023, and projections for the upcoming year are still uncertain. Nevertheless, BA sustained its dedication to longstanding customers by prioritizing support through high-quality and sustainable products, collaborative innovation, and flexibility in meeting customer requirements.

Innovation

Last year, BA Glass was for the first time awarded as the most innovative company in the glass packaging industry, by the World Finance Magazine, a recognition that values our dedication to pushing the boundaries of innovation in glass packaging manufacturing.

Confronted with numerous challenges in our efforts to keep all our production lines operational, we stood firm our emphasis on innovation and sustainability. With a resilient mindset, throughout 2023, we persisted in advancing lightweight projects, introducing a substantial number of new products, fostering closer connections with our customers to comprehend their expectations and needs. Our commitment extends always to provide more sustainable solutions.

The success rate of new projects in 2023 was impacted by the opening of more projects aimed at stimulating the market. At the same time, the realization of these projects is delayed due to the extended time-to-market and the slowdown in demand. The expectations for 2024 are to continue opening new projects, even more than in 2023, and to ensure their successful completion, including the realization of some of those initiated in 2023.



SUSTAINABILITY

Sustainability has gained even greater importance. Investments directed towards reducing the carbon footprint, supported by research aimed at producing more sustainable glass, have gained traction. For the fourth consecutive time, BA Glass has been honored with the World Finance Sustainability Awards as the Most Sustainable Company in the global glass industry. Also, the company has maintained an A score from the CDP organization, solidifying its position among a select group of companies known for their sustainability strategies and raising standards within the glass packaging industry.

The absolute CO₂ emissions in tons reduced due to partial production shutdowns. It would be anticipated that discontinuing lines could lead to an increase in emissions, given the inherent challenge in proportionally reducing consumptions. However, efficiencies on production have enabled the maintenance of relative CO₂ emissions in 0.390 tons of CO₂ per each ton of glass produced, the same as in 2022, scope 1 and 2. The increase in efficiency offset cullet scarcity and impacts of chirurgical stoppages. The company has maintained its utilization of green electricity, not only through self-consumption initiatives, but also by exploring near-site and offsite possibilities. At BA Glass premises, 100% of the electricity consumed is sourced from renewable sources resulting in zero emissions in scope 2. Applying location-based emission factors by country, this represents an avoidance of more than 280,000 tons of CO₂e. As part of a consortium dedicated to green hydrogen production, BA Glass is actively contributing to the development of solutions that enable the viable use of green hydrogen as a source of energy in its plants.

Throughout 2023, we expanded our utilization of solar energy for renewable electricity generation. Following a 10 MW Virtual Power Purchase Agreement (VPPA) established in Poland in 2022, another PPA for 12.4 MW was finalized in 2023, resulting in a combined avoidance of over 20,000 tons of CO₂ emissions annually.

Additionally, our initiative to equip available spaces in our plants with photovoltaic panels progressed, resulting in the installation of more panels at plants, increasing in 20% the installed capacity and preventing the emission of over 4,500 tons of CO₂ last year.

Although still in an early stage, we are a part, as off-takers, in two projects of green hydrogen. Only a MoU (Memorandum of

Understanding) was signed. We are confident that in 2024 we will have significant advances in these projects.

Efforts are underway to address scope 3 emissions across the entire supply chain. Several transport routes have been changed to intermodal systems. In truck transports, we have continued to increase our share in more environmentally friendly solutions, such as natural gas and dual trailers, among others. Additionally, for 2024, the introduction of electrical transports and hydrogen solutions is under consideration.

We have also increased the usage of alternative non-carbon-based raw materials in our recipes. We are currently submitting new targets to SBTi, now including scope 3 emissions.

In 2023, we initiated a new strategy for decarbonization with greater involvement from our customers. We conducted customer-tailored decarbonization plans. The goal is to expedite decarbonization and co-share the costs with our customers. During 2023, BA Glass made significant developments in the sustainability area through research and development. Initiatives persist as BA Glass actively participates in IPGR, an organization committed to pioneering zero CO₂ glass technology. Collaborating with fellow glass packaging producers, the organization conducted the initial large-scale industrial trials involving the melting of glass without soda ash in the batch input. Furthermore, the Zero CO₂ Glass project, spearheaded by IPGR, is gearing up for a small trial plant to develop a groundbreaking furnace capable of melting glass without CO₂ emissions.

In its quest for carbon neutrality, BA has embarked on varied initiatives to produce sustainable glass packaging. Central to this effort is the creation of the ECO Furnace, a groundbreaking technology poised to transform glass production. Representing a milestone in the industry this state-of-the-art furnace operates solely on 100% renewable energy, eradicating CO₂ emissions linked to energy consumption. By substituting natural gas with renewable electricity, green hydrogen, or biofuel, we anticipate very significant energy savings. The emissions stemming from the use of carbon-based raw materials will be partially offset through substitution, while the remainder will be mitigated through the advancement of carbon capture technology, where BA is taking active participation with entities that are fully dedicated to developing this technology.

The lightweight program has consistently reduced the volume of glass utilized in packaging, leading to a mitigation of over 1,000 tons of CO₂ emissions in 2023. The production of 175 million units (sold until 12 months after being developed)

amounted to more than 3,000 tons, underscores the program’s impactful contribution. The focus to weight reduction is evident in the fact that 20% of recently introduced products adhere to the lightweight design principle.

OPERATIONS

Challenges and actions

Like all other industries, the increase in industrial costs has prompted a meticulous search for opportunities to optimize operational performance and prevent stoppages in capacity. Unfortunately, we were unable to maintain full production throughout the year, with partial stoppages at the end of 2023.

The profitability of the plants remained robust in the first half of the year but declined in the second due to lower sales volume and price, occasional production stoppages, and strict control of inventories.

The Watt Less program, for continuous savings on energy, was boosted in all our plants, and predictive analytics were applied to the furnace operations, all to reduce the most important production costs.

BA’s energy-saving initiatives faced an unfavorable operational scenario. Despite operating below full production capacity and encountering challenges related to cullet scarcity in most of BA geographical areas, the energy consumption per kilogram of melted glass was effectively maintained. Stopping lines has a strong negative effect in our energy efficiency, as we can’t decrease energy consumption in line with losses of volume produced.

The main challenges of 2023 highlighted the importance of continuous efforts to address the environmental impact of glass packaging production, its comparison to other packaging materials, and the ongoing impact of inflation and energy prices on the company’s operations.

The momentum for the manufacturing digitalization persisted as all the scheduled projects for the year were executed. The pilot projects, initiated in preceding years, demonstrated success, and predictive analysis is now an integral part of daily decision-making in our plants. Increased resources have been allocated to data management and operational technology.

Apart from improving operational efficiency, our primary goal is the fundamental transformation of our operations in a glass plant.

Plants

In 2023, BA Glass witnessed notable advancements in its plant operations across the Iberian (Portugal and Spain), Central European (Poland and Germany), and Southeastern European (Greece, Bulgaria, and Romania) divisions. The plants demonstrated remarkable efficiency, achieving numerous records in productivity, quality, and service. Particularly, the Avintes plant stood out for its exceptional performance, continually setting records, and fostering healthy competition among the plants, not coincidentally, Avintes is our pilot for all Manufacturing Digitalization programs. The Marinha Grande plant, after a furnace rebuild in 2022, experienced increased efficiency by leveraging cutting-edge technological advancements.

Within the Central European division, Sieraków plant with its new furnace, stabilized production and delivered high-quality products.

The Southeastern Europe division continued its organizational transformation, emphasizing the infrastructural development, training of teams, and attracting new talent to accommodate the growth of its plants. The Sofia plant significantly improved efficiency after expanding capacity and nurturing its teams. In the Plovdiv plant, ongoing reconstruction of a new furnace marked a crucial step toward the complete transformation of the facility. Additionally, the Bucharest plant successfully initiated operations of a new furnace, incorporating new technology and achieving significant improvements in energy efficiency.

Ultimately, the increased sharing of knowledge and benchmarking between plants further supported the company’s endeavors to enhance its operations in 2023.

Safety remains a top priority at BA and the year 2023 represents a positive turnaround following a less favorable performance in 2022. Over the past few years, numerous actions, programs, and initiatives have been implemented, leading to remarkable progress for the company. Notably, the total number of accidents resulting in loss of time decreased to 25, less 10 than 2023.

The teams at BA have consistently reviewed procedures, rules, and routines, resulting in a heightened awareness as close-

to-accidents events are being more reported. This reflects an absolute commitment to ensuring a safe work environment, underlining the company’s dedication to prioritizing the well-being of its workforce.

Supply Chain

In 2023, BA Glass faced substantial challenges in its supply chain operations, contending with the enduring effects of inflation across various sectors and ongoing geopolitical uncertainties. Despite a degree of price stability in energy after the first quarter of the year, values persisted at levels higher than those before the Russian invasion of Ukraine. Ongoing geopolitical conflicts in the Middle East prevented a faster price stabilization.

The energy crisis brought a new reality in terms of prices; we will no longer have the low Natural Gas prices provided by the efficient Russian pipeline. LNG helped stabilize supply, but with higher transport prices and much lower demand from industry degradation contributed to price stabilization. BA Glass’s hedging policy decision, initiated in 2021, persisted into 2023. Adversely to 2022, noteworthy governmental support was absent last year.

Similarly, electricity prices followed a comparable trend, achieving some degree of stability, but remaining at elevated levels. The support mechanisms designed to control prices mostly ended and even the notable increase in renewable electricity production, in certain BA countries, was insufficient to bring electricity prices to the pre-energy crisis level.

Soda ash, followed the energy trend with prices decreasing throughout the year, bouncing back from an increase that more than duplicated the price. This trend was more expressive in the second semester, but the last quarter prices were still more than 50% above previous normal price level.

Recycled glass underwent significant changes in 2023. A substantial increase in demand have led to record prices within an industry under strong consolidation, notably with several acquisitions of recycled glass collection and treatment companies. On top of these changes, BA Glass’ geographical regions maintained below-average recycling rates, functioning as glass exporting countries, further contributing to the cullet shortage. To address this issue, BA remains actively involved locally, participating in governmental initiatives, and advocating for recycling practices.

The costs of other raw materials, such as silica sand, limestone, or dolomite, witnessed a decline alongside a reduction in demand. Nevertheless, there was no observable direct decrease in the prices of these raw materials, when comparing to its cost.

As for transportation, the year was characterized by a decline in demand and a decrease of direct costs, particularly in terms of fuel. These factors raise concerns for BA Glass, as they have the potential to encourage disinvestment within the transportation sector. This, in turn, may lead to a reduction in fleets and pose challenges in implementing necessary changes to achieve sustainability targets.

In the packaging sector, we saw paper and plastic products following the downward trend, but wood, with a strong demand from other industries, namely energy, remained very expensive, slowing down the wood pallets price recovery. This situation prompted BA Glass to explore alternative materials as substitutes.

As a result of all these impacts Industrial cost decreased significantly from the prohibitive levels of 2022, but remained much higher than the pre-energy crisis level.

In our ongoing commitment to supply chain efficiency, our team remained dedicated to exploring alternative solutions aimed at reducing costs and enhancing operational effectiveness. Through continuous efforts, we aim to drive innovation and resilience in our supply chain management.

Investments

In 2023 total CAPEX reached EUR 202 million, 68% higher than 2022 (EUR 120 million), which represents 13% of sales. A substantial increase, planned to fulfill all our commitments, specifically focusing on continued investment in new technology and sustainability enhancements.

In a year marked by an abrupt decrease in demand, still significant investments have been undertaken, enhancing our operations than endowing us with the capabilities for expansions as soon as market conditions allow. In Romania, a new furnace has been inaugurated, bolstering our capacity to deliver high-quality and sustainable products. Additionally, a furnace rebuild in Bulgaria will introduce notable technical advancements, particularly in the production of food jars, leading to increased efficiency and reduced energy consumption, early in 2024. Furthering our commitment to expansion, BA has completed the construction of the initial

phase of an off-site warehouse in Romania, supporting local operations and optimizing logistics.

Moreover, the company remained committed to sustainability through investments in renewable energy. Additional photovoltaic installations were constructed on the rooftops of plants and warehouses for self-consumption, effectively reducing the carbon footprint and securing a sustainable energy source. These strategic investments underscore the company’s dedication to the ongoing energy transition.

BA Glass is leading in the glass packaging industry through strategic digitalization, enhancing efficiency and sustainability. With increasing resources dedicated annually, the company progresses towards a lights-out plant, revolutionizing manufacturing operations through advanced automation and digitalization efforts. Completed equipment sensoring improves monitoring from raw materials to warehouse. Analytics initiatives transform decision-making, and automation enhances efficiency, accuracy, and productivity across various operational facets, ultimately fostering streamlined processes and driving competitive advantage.

We are using advanced analytics and AI to optimize operations and assert industry leadership. Digitalization, sensors, and real-time monitoring improve efficiency. The company prioritizes energy optimization and sustainability, including the development of a live-tested furnace digital twin. A robust data governance strategy coupled with cloud-based systems expedites the scaling of analytics tools, facilitating rapid dissemination of results, expediting decision-making processes, and standardizing workflows across plants, vital for global expansion.

In 2023, the acceleration plan was expanded to standardize advanced process control tools across all divisions. In the hot end, more lines now feature tools like swabbing robots and infrared monitoring for continuous data, faster decision-making, and advanced analytics. A parallel plan in the cold end focuses on automation, mobile robots, and data tools, progressing towards a lights-out plant.

BA MeX’s, our IoT platform, unifies shop-floor data, providing real-time visibility and integrating processes from raw materials to product warehousing. It supports business continuity, drives digital transformation, and fosters a data-driven culture through advanced analytics. Digital work instructions prioritize knowledge dissemination, while providing operators with digital tools enhances decision-making, all contributing to the efficient and sustainable delivery of glass containers to our customers.

People

The labour market in Europe continued to perform strongly in the first half of 2023, despite the slowdown in economic growth. Activity and employment rates reached their highest level on record, and in September the unemployment rate remained close to its record low.

In 2023, the Group’s operational companies faced significant challenges, particularly in navigating a highly dynamic labor market. The year witnessed a substantial influx of individuals transitioning between jobs, driven by the multitude of opportunities available in the market.

BA was no exception, experiencing a wave of new hires to meet the company’s requirements, especially those tied to investments in new furnaces. The demand for more qualified personnel in both plant operations and corporate functions escalated, reflecting the increasing digitalization of operations and activities.

The acknowledged digital transformation outlined in our digital roadmap entails not only the restructuring of activities but, equally crucial, the reconfiguration of skill sets required to operate and manage effectively in a more digitally oriented environment. Upskilling programs for jobs are currently being implemented across all twelve of our plants and will continue to be a substantial opportunity for transforming our company. This initiative aims to position the glass industry and BA as an appealing choice for the younger generation entering the labor market.

Our values, wrapped up in HeART (Humbleness, Emotion, Ambition, Rigour, and Transparency), permeate the organization through various activities, primarily exemplified by the ambassadors of the “BA Way.” Recently conducted training sessions engaged a substantial number of newcomers, fostering a deep understanding and embodiment of BA Values. These values stand as a crucial pillar in the company’s growth strategy.

Similar to previous years, our plants opened their doors to the families of our workers and local schools. Numerous open days were organized, featuring activities and plant tours that provided insights into our company’s internal activities. These initiatives aimed to reinforce the bond between our teams and the local communities.

The relationship with secondary schools and universities has held special significance in all the countries where we operate. BA teams engaged in reciprocal visits with many students who

harbored a curiosity to comprehend the processes involved in producing glass and its transformation into the packaging for their beverages and food.

The relationship with students has been steadily evolving over the past few years through the Dual-Training programs. In Spain, Poland, and Romania, we have implemented well-structured technical in-house training programs for secondary school students. Our aim is to nurture these students into potential future BA employees.

The 4th edition of the Futura program took place in Iberia and Romania, attracting young engineers who want to start a career in a growing and international company such as BA.

In 2023, our commitment to the professional development of our workforce remained resolute as we continued to invest in comprehensive training programs tailored to meet the diverse needs of our employees. Recognizing the importance of continuous learning, we implemented immersive training initiatives designed to enhance the skills and capabilities of our teams across various roles within the organization.

A newly introduced performance assessment tool for white-collar employees, has been implemented and launched. Moreover, an employer portal, an extension of the current portal, is now accessible for the entire organization.

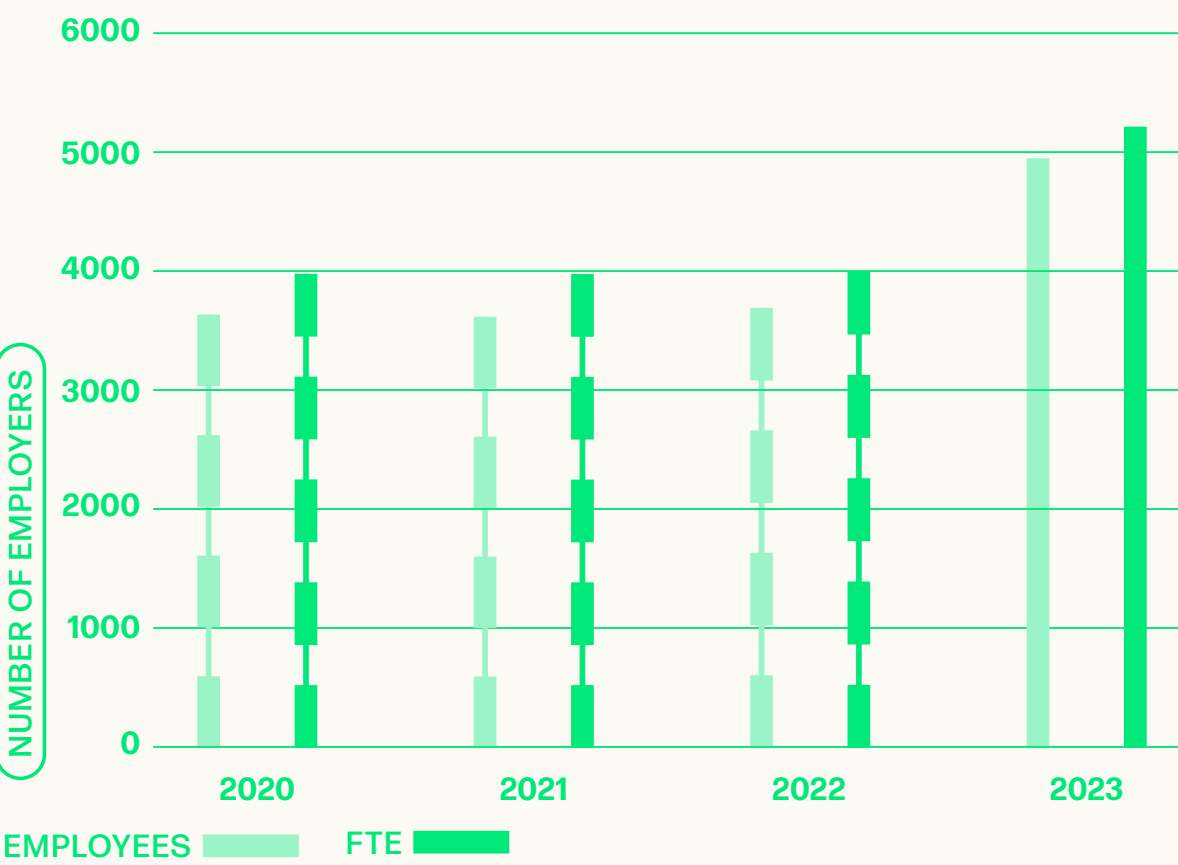
The Group Annual Management Meeting, where more than 250 executives and managers from 13 nationalities meet up, returned in June with a totally in-person format. It is always the moment to share and learn the challenges and opportunities the company has ahead.

Even after achieving a completely accident-free environment, safety will remain a priority for BA. In 2023, the number of accidents with a loss of time, standing at 25, marked a significant improvement compared to the previous year. Despite this positive progress, our commitment to the continual pursuit of zero accidents remains steadfast. The Safety Committee, management teams, and the Executive Board continue to collaborate closely on plans and actions to ensure a secure working environment.

The year ended with more than 5,000 Full-Time Equivalent employees, a significant increase versus 2022 mainly due to the acquisitions done.

The whistleblowing channel and process have yielded the anticipated results, ensuring ongoing oversight and assurance

of optimal management and business practices in accordance with the Group Code of Ethics.



Management board composition

On January 1, 2022, the “Diversity Act,” aimed at achieving a better gender balance in top-level corporate positions, came into effect. According to this act, sizable corporations are required to establish suitable objectives for enhancing gender diversity in the management board, supervisory board, and other senior management roles identified by the company. Moreover, these large companies must submit an annual report to the SER (Social and Economic Council) in a prescribed format within ten months of the conclusion of the financial year, detailing the count of men and women holding positions on the board, supervisory board, and senior management as of the financial year’s end.

The company has set a target to ensure that a minimum of 28% of the management board positions are held by women. Consistent with the Diversity Act, this ratio is calculated based on the individuals appointed as directors of the company. Until the end of 2023, one out of two (50%) of the company’s directors were women. At year end, 30% of our Board of Directors are women, similar to 32% of women in BA’s top management. Consequently, the company adhered to the provisions of the Diversity Act in 2023 and intends to monitor the situation to uphold the self-imposed target in 2024.

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, and Title 9 BW 2.

The glass packaging industry is characterized by reviewing the sales prices every beginning of the year. In the stable environment we had until 2020, this policy brought stability in our profitability over the years, but the energy crisis changed this reality.

Both 2021 and 2022 generated a significant decrease in BA’s profitability, namely its percentual EBITDA⁽¹⁾ (less 10.8pp and 12.7pp respectively when compared with 2020). The energy crisis, and the shockwaves in all costs, drove 2021 and 2022 industrial costs to unimaginable levels, endangering our survival. In 2021 we had no possibility to increase sales prices, and in 2022 even with the implementation of quarterly surcharges, and a strong selling price increase over the year, we were unable to prevent the EBITDA⁽¹⁾ degradation.

The EBITDA⁽¹⁾ recovery happened in 2023, starting the year with the adequate sales prices for the cost structure of 2022, benefiting from the cost reduction throughout the year, and significantly decreasing the selling price throughout the year, we managed to balance the negative effects from the previous years.

EBITDA⁽¹⁾ reached EUR 533.4 million, followed by a margin of 35.0%. This reflects an increase of 12.5 p.p. compared to the previous year, but still below (-0.2 p.p.) 2020, prior to the challenges posed by the energy crisis and inflation surge. From a management perspective, EBITDA does not include this discontinuance of derivatives as it was a one-off transaction settled in 2023. The effect of the cash flow hedges in the statement of profit or losses amounted to EUR 49,1M (2022: EUR 78,4M), of which EUR 66,9M related to the discontinuation of derivatives settled in 2023 (2022: nil).

Sales experienced a notable increase of 6.4% compared to the previous year, reaching a record value of EUR 1,523 million,

driven by the price effect of the first semester. Strong volume decrease, aggravated in the second semester and selling price reduction during the year prevented a further increase of turnover. Mexico new operation, Vidrio Formas, contributes with two months of sales for the consolidated result. CP Glass (Poland) acquisition is still pending anti-trust decision and is not included in the financial statements. The total purchase price consideration for the two acquisitions of the year amounted to EUR 379M (see note 7) and the agreement of Mexico acquisition has put and call mechanisms that will allow BA to acquire the non-controlled shares in the future.

The production costs have decreased due to the stabilization of energy prices, offsetting the higher costs of raw materials compared to 2022. Other expenses increased another year. Inflation hit almost all lines of P&L, with freight, maintenance, specialized services and warehousing leading.

The many operational records, improved productivity at our plants, numerous cost saving actions and relief on energy prices implemented throughout all areas of the organization were able to overcome the tremendous negative impact of inflation.

Hence,

EBITDA⁽¹⁾ amounted to EUR 533.4 million, EUR 210.6 million above the previous year. The EBITDA⁽¹⁾ margin was 35.0%, increasing 12.5 p.p. when compared to the previous year.

EBIT⁽¹⁾ amounted to EUR 433.62 million, equivalent to 28.4% of sales, EUR 207.6 million and an EBIT⁽¹⁾ margin of 12.7 p.p. above last year.

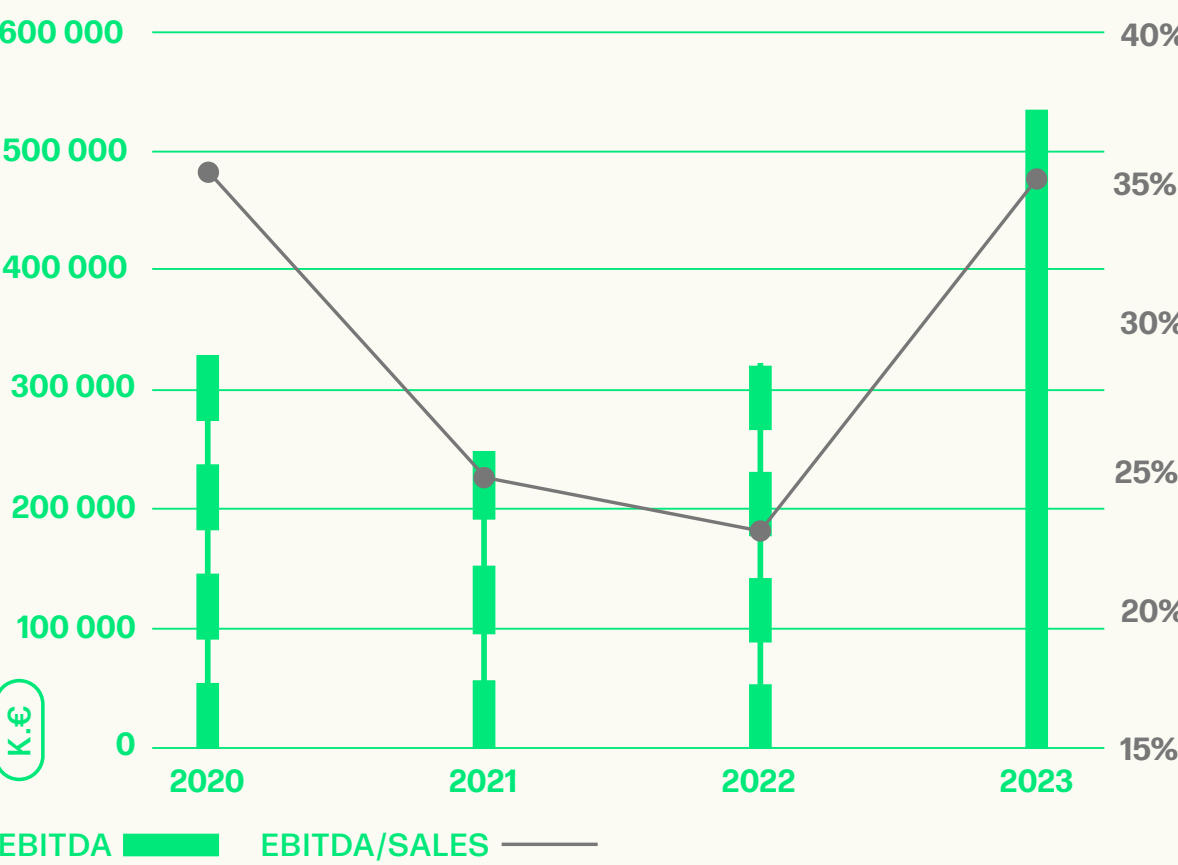
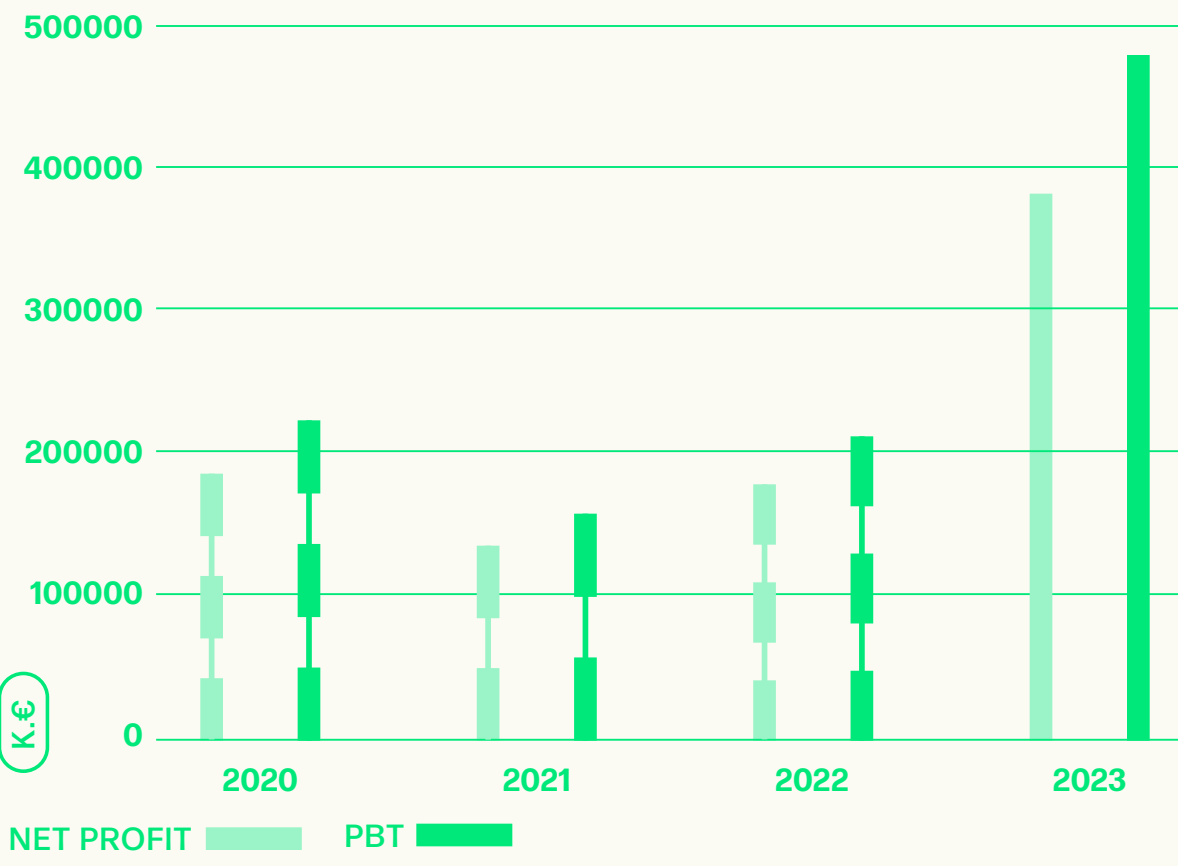
The Balance Sheet as of December 31, 2023, is influenced by the acquisitions of Vidrio Formas and Recresco.

Net tangible assets turnover⁽¹⁾ was 1.66, 27% less than in 2022 (2.27), mainly impacted by the new acquisitions.

The financial results amounted to a loss of EUR 22.2 million (compared to a loss of EUR 14.9 million last year). The increase in the negative financial results is mostly connected with the increase of the cost of capital that took place during 2023 in all countries as a measure to control inflation (EUR 33.2 million). The financial costs were offset by a positive impact of the cash remuneration, also as a result of interest rate increase (EUR 4.3 million), by positive exchange rate impacts (EUR 6.0 million), and by a reversal of a provision related to Anchor Glass past investment.

1. See glossary

Profit before taxes amounted to EUR 478.3 million, 126.5% above previous year (2022: EUR 211.0 million), and net profit totaled EUR 380.6 million, 115.8 % higher than in the previous year (2022: EUR 176.4 million).



Financial Analysis

At the end of 2023, the consolidated assets were at EUR 2,395 million (2022: EUR 2,046 million). Apart from the impact from the acquisitions of Vidrio Formas and Recresco, the main impact was related to the decrease of the fair value of the derivatives (12M EUR negative and EUR 180M positive in 2022) and the reimbursement of a EUR 191M loan to a related party.

Working capital⁽¹⁾ at the end of the year reached 13.3% of sales, EUR 110.9 million higher than the previous year, reflecting both the impact on trade receivables by the decrease of sales prices during the year and trade payables with the energy and raw materials price also decreasing throughout the year.

Total liabilities were EUR 1,478.2 million, EUR 269.5 million more than in the previous year, and the Company’s net debt⁽¹⁾ amounted to EUR 545.4 million (2022: EUR 573.4 million). The increase in liabilities is mainly due to the acquisition of Vidrio Formas and Recresco (EUR 263 million).

The leverage ratio⁽¹⁾ ended the year with a value of 1.02 (2022: 1.78) and the Company’s equity reached 38.3% (2022: 40.9%) of total assets. It is important to highlight the cash conversion ability of the Company in a year with two acquisitions (EUR 307 million), dividends (EUR 100 million), and strong capex (EUR 202 million), demonstrating the financial robustness of the Company, as well as its readiness to continue growing.

Glossary

EBITDA is calculated on the basis of net income adjusted for provision for income taxes, financial result, discontinuation of hedging agreements, depreciations and amortization of intangibles.

EBIT is calculated on the basis of net income adjusted for provision for income taxes, financial result and discontinuation of hedging agreements.

Net tangible assets turnover = Turnover / Net tangible assets

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

Leverage ratio = Net Debt / EBITDA

Working Capital = Inventories + Trade Receivables – Trade Payables

1. See glossary

Certifications and associations

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

Concerning management systems, all plants are certified according to ISO 9001 – Quality Management System, FSSC 22000 – Food Safety System and ISO 14001 – Environmental Management System; all the plants except Athens and Gardelegen are certified ISO 45001 and plants in Portugal, Spain and Germany are certified according to ISO 50001 – Energy Management Systems. Regarding social concerns and labor conditions, Iberian plants are certified according to SA 8000 - Social Accountability

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: AIVE – Associação dos Industriais de Vidro de Embalagem, ANFEVI – Asociación Nacional de Empresas de Fabricación Automática de Envases de Vidrio, PIO – Polska Izba Opakowań, BV Glas - Bundesverband Glasindustrie e.V., FEVE – Fédération Européenne du Verre d’Emballage, 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.

Acknowledgments

The Board of Directors extends its sincere appreciation to all company employees for their diligent efforts and unwavering dedication throughout 2023. The exemplary work, creativity, and commitment significantly contributed to both the current stability of our business, ensuring its security and continuity, and the strategic planning for future growth. The enhancement of various processes, and the attainment of many records. We express gratitude for the invaluable role of all employees in BA Glass collective success.

We also extend our heartfelt gratitude to our customers for standing by us during challenging times marked by a lack of demand. Their unwavering commitment and collaboration in co-developing solutions have been pivotal in reinforcing glass as the preferred packaging choice. Your resilience and partnership inspire us, and we look forward to continuing this journey together towards shared success.

Additionally, we extend sincere appreciation to our suppliers who, without fail, upheld their commitment and service. Their support enabled us to maintain our operations and progress with numerous projects at hand. We value their dedication and look forward to continuing our successful collaboration.

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

We have benefited from the collaboration of banks and other financial institutions that the company has engaged with throughout the year. Their support for our ambitions and projects has been instrumental. Without their assistance, our ability to invest and grow would be significantly constrained.

Our appreciation is also due to the Auditors and the Audit Committee of the holding and its subsidiaries for their continual collaboration and constructive dialogue. Their efforts in monitoring, examining, and challenging the financial statements, processes, and risk management practices of the companies are highly valued.

A final word to all our consumers, to whom we extend sincere appreciation for consistently choosing glass as their preferred packaging material for the food and beverages shared with their families and friends. Your ongoing support, driven by a commitment to sustainability and health, is truly valued.

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 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 bodies 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 overlooks 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 the Executive Board and the BAFC and are cascaded down 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
Geopolitical	Conflict in ukraine and the middle east	During 2022 an event took place that can have an impact on the operations of the group, being the war in Ukraine. The war in Ukraine took an increased volatility and uncertainty to the markets leading to high levels of inflation all over Europe. Also many countries have imposed, and continue to impose, new sanctions on specified Russian entities and individuals. Sanctions have also been imposed on Belarus.	The hiking energy prices had an impact on the way BA Glass was present in the market requiring a different price mechanism with customers to face the severe impact of energy on its cost structure considering the impact those increasing prices have in the cash flow generated by the operations.
		It is not clear when the conflict will terminate and the full impact in Europe considering it already impacted on all energy supply sources and significantly the increase of energy price that spread through all supply chains.	The usage of hedging instruments to reduce volatility on cash flow as well as the search and conclusion of several investments on renewable energies was a reality that was accelerated during the year and will be in place for the future.
		During 2023 a new conflict emerged that could significantly impact the stability in the Middle East with consequences impacting all the world. There has been no relevant impact in the main markets the Group operates	Sanctions imposed by the EU do not impact the operations of the company as there is no exposure, on the inputs or outputs, to the countries subject to the sanctions. (High)
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 2023, the 30 largest customers accounted for 54% 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)
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 2023, BA Group developed 202 new products and launched 56 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)
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 44% of the total consolidated purchases in 2023. 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 increased significantly during the last years with an adjustment during 2023 and represent, on average, 24% 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 market indexes according the country of consumption. 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, 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. (High)

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 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 2023 we gave very significant steps towards be Carbon Neutral, significantly improving our results. We joined the Science Based Targets in 2021 and our targets have been approved, 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)
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 to ensure efficient security risk mitigation. Additionally, there is a monthly follow up of all Cybersecurity themes by a Cybersecurity Committee, 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 data-base 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) is of 18% of total revenues and purchases account for 34% of total purchases (25% 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, 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 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. Following the acquisition in Mexico late 2023 the group is now also active outside of Europe, a country to which a different (and higher) risk profile applies compared to the European activities.	We monitor geopolitical developments and societal issues relevant to our interests. Our Legal and Tax functions support our subsidiaries in seeking to ensure compliance with local laws and fiscal regulations. In addition, 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. Plants in Portugal, Spain and Germany are certified by ISO 50001 - Energy Management Systems. Requirements with Guidance for use. Daily, 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 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, 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 to carry out its activity. (Low)

None of the above risks materialized during the year had a significant impact. Further, no significant updates were made to the Group’s ERP systems other than the start of integration of the new Mexican investment in the Group’s ERP system.

The group has in place a capex plan that guarantees the adequate levels of production and the improvement in efficiency and productivity of the business as well as the accomplishment of the sustainability metrics the group is committed to achieve.

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.

Subsequent events

After the balance sheet date, at the general assembly meeting of the subsidiary BA Glass I – Serviços de Gestão e Investimentos, SA was deliberated to distribute dividends in the total amount of EUR 248 500 000.

There are no additional events after the balance sheet date with impact on the operations of the Group.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts expressed in Euros)

Assets	Notes	Dec. 31, 2023	Dec. 31, 2022
Non-current assets			
Goodwill	10	575 688 916	400 576 038
Intangible assets	11	161 816 486	25 907 699
Property, plant and equipment	12	915 511 479	629 993 265
Other financial investments	14	11 228 307	7 965 140
Investment properties	13	845 523	902 895
Derivative assets	18	-	52 201 733
Deferred tax assets	35	13 943 673	8 208 322
		1 679 034 385	1 125 755 091
Current assets			
Inventories	15	257 242 805	181 256 780
Trade receivables	16	209 623 505	292 116 224
Income tax	35	8 585 646	7 889 374
Derivative assets	18	124 591	128 507 552
Receivables from related parties	19	-	191 000 000
Other debtors	17	37 658 367	35 998 909
Other assets	20	11 007 970	2 515 696
Cash and short term deposits	21	191 901 951	81 383 882
		716 144 835	920 668 418
Total assets		2 395 179 220	2 046 423 509

Assets	Notes	Dec. 31, 2023	Dec. 31, 2022
Equity and liabilities			
Issued capital	22	36 000	36 000
Other capital reserves	22	51 375 301	51 375 301
Retained earnings	22	499 221 499	494 234 708
Other components of equity	22	(9 612 382)	135 833 415
Foreign currency translation		(5 991 155)	(20 077 762)
Profit for the year		381 976 428	176 360 049
Equity attributable to owners of the parent		917 005 691	837 761 712
Total equity		917 005 691	837 761 712
Non-current liabilities			
Interest-bearing loans and borrowings	23	571 397 373	552 226 208
Provisions	24	2 544 089	2 599 844
Government grants	29	4 269 316	5 294 264
Derivative liabilities	18	12 718 159	-
Other liabilities	25	199 565 521	-
Deferred tax liabilities	35	73 867 264	67 236 847
		864 361 721	627 357 164
Current liabilities			
Interest-bearing loans and borrowings	23	165 884 037	102 562 592
Trade payables	26	228 159 654	381 431 607
Income tax payable	35	40 841 414	4 668 297
Other payables	28	69 010 598	61 967 115
Government grants	29	1 538 551	3 380 971
Other liabilities	27	108 377 553	27 294 051
		613 811 807	581 304 633
Total liabilities		1 478 173 529	1 208 661 798
Total equity and liabilities		2 395 179 220	2 046 423 509

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Amounts expressed in Euro)

	Notes	Dec. 31, 2023	Dec. 31, 2022
Continuing operations			
Revenue			
Revenue from contracts with customers	30	1 522 919 964	1 431 368 215
Changes in stocks of finished goods	15	11 019 082	38 511 171
Other operating income	31	14 587 237	8 210 996
		1 548 526 283	1 478 090 382
Operating expenses			
Raw materials and consumables used	15	577 189 587	834 650 708
Supplies and external services		223 785 334	196 005 654
Employee benefits expense	38	138 703 400	118 188 016
Depreciation and amortization	11 12	99 466 765	94 287 173
Impairment	33	289 708	2 539 018
Other operating expenses	32	8 557 990	6 462 901
		1 047 992 784	1 252 133 470
Financial result	34	(22 221 448)	(14 917 810)
Profit before tax from continuing operations		478 312 051	211 039 102
Income tax expense	35	97 687 148	34 679 052
Profit for the year from continuing operations		380 624 903	176 360 049
Discontinued operations		-	-
Profit for the year		380 624 903	176 360 049
Attributable to:			
Equity holders of the parent		381 976 428	176 360 049
Non-controlling interests		(1 351 524)	-
Earnings per share			
Basic	36	10 610 46	4 898 89
Diluted	36	10 610 46	4 898 89
EBITDA ⁽¹⁾		533 380 550	322 783 102
Operating income (EBIT) ⁽²⁾		433 624 077	225 956 911

1. EBITDA is calculated on the basis of net income adjusted for provision for income taxes, financial result, discontinuation of hedging agreements (see note 18), depreciations, impairment and amortization of intangibles

2. EBIT is calculated on the basis of EBITDA adjusted for depreciations, impairment and amortization of intangibles

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(Amounts expressed in Euro)

	Notes	Dec. 31, 2023	Dec. 31, 2022
Profit for the year		380 624 903	176 360 049
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		14 086 607	(2 421 458)
Net gain/(loss) on cash flow hedges	18	(145 481 233)	148 704 209
Others		-	3 453
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(131 394 626)	146 286 205
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		32 629	1 000 577
Revaluation of land		2 807	
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		35 436	1 000 577
Other comprehensive income for the year, net of tax		(131 359 190)	147 286 782
Total comprehensive income for the year, net of tax		249 265 713	323 646 835
Attributable to:			
Equity holders of the parent		250 617 238	323 646 835
Non-controlling interests		(1 351 524)	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts expressed in Euro)

	Notes	Attributable to the equity owners of the parent						Total	Non-controlling interest	Total equity
		Issued capital	Other capital reserves	Retained earnings	Foreign currency translation reserve	Other components of equity	Profit for the year			
As at January, 1 2022		36 000	51 375 301	460 691 083	(17 659 757)	(13 871 375)	133 543 626	614 114 880	-	614 114 880
Profit for the period		-	-	-	-	-	176 360 049	176 360 049	-	176 360 049
Other comprehensive income		-	-	-	(2 418 005)	149 704 791	-	147 286 786	-	147 286 786
Total comprehensive income		-	-	-	(2 418 005)	149 704 791	176 360 049	323 646 835	-	323 646 835
Dividends		-	-	(100 000 000)	-	-	-	(100 000 000)	-	(100 000 000)
Appropriation of prior year net profit		-	-	133 543 626	-	-	(133 543 626)	-	-	-
As at December 31, 2022	22	36 000	51 375 301	494 234 708	(20 077 762)	135 833 415	176 360 049	837 761 712	-	837 761 712
As at January,1 2023		36 000	51 375 301	494 234 708	(20 077 762)	135 833 415	176 360 049	837 761 712	-	837 761 712
Profit for the period		-	-	-	-	-	381 976 428	381 976 428	(1 351 524)	380 624 903
Other comprehensive income		-	-	-	14 086 607	(145 445 797)	-	(131 359 190)	-	(131 359 190)
Total comprehensive income		-	-	-	14 086 607	(145 445 797)	381 976 428	250 617 238	(1 351 524)	249 265 713
Put option granted to NCI		-	-	(71 373 259)	-	-	-	(71 373 259)	1 351 524	(70 021 734)
Dividends		-	-	(100 000 000)	-	-	-	(100 000 000)	-	(100 000 000)
Appropriation of prior year net profit		-	-	176 360 049	-	-	(176 360 049)	-	-	-
As at December 31, 2023	22	36 000	51 375 301	499 221 499	(5 991 155)	(9 612 382)	381 976 428	917 005 691	-	917 005 691

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts expressed in Euro)

	Notes	Dec. 31, 2023	Dec. 31, 2022
Cash flow statement - operating activities			
Receipts from customers		1 625 412 683	1 224 832 324
Payments to suppliers		(1 011 642 281)	(905 474 876)
Payments to employees		(137 036 949)	(117 343 919)
Cash generated from operations		476 733 453	202 013 529
(Payment) / reimbursement of corporate income tax		(58 673 699)	(21 893 657)
Net gain/loss on cash flow hedges		57 395 408	74 921 295
Other proceeds / (payments) relating to the operating activity		(307 088)	(589 546)
Cash flow from operating activities (1)		475 148 073	254 451 620
Cash flow statement - investing activities			
Receipts from:			
Fixed assets		-	575 640
Government grants		95 778	7 351 598
Other assets		191 000 000	-
		191 095 778	7 927 238
Payments related to:			
Acquisition of a subsidiary, net of cash acquired	7	(220 574 737)	-
Fixed assets	12	(202 577 405)	(125 566 305)
Intangible assets		(56 456 250)	-
Other assets	19	-	(191 000 000)
		(479 608 392)	(316 566 305)
Cash flow from investing activities (2)		(288 512 614)	(308 639 067)

	Notes	Dec. 31, 2023	Dec. 31, 20222
Cash flow statement - financing activities			
Receipts from:			
Borrowings	23	276 375 862	267 521 162
Interests received		4 353 857	227 932
		280 729 719	267 749 094
Payments related to:			
Borrowings	23	(224 385 423)	(146 997 397)
Interest and similar expense	34	(31 854 784)	(13 306 064)
Dividends	22	(100 000 000)	(100 000 000)
		(356 240 207)	(260 303 461)
Cash flow from financing activities (3)		(75 510 488)	7 445 633
Net cash flow variation for the year (4)=(1)+(2)+(3)		111 124 971	(46 741 813)
Net foreign exchange differences		606 902	(172 003)
Cash and its equivalents at the beginning of the period	21	81 383 882	128 297 699
Cash and its equivalents at the end of the period	21	191 901 951	81 383 882
Notes to the consolidated cash-flow statement:			
Cash		48 389	49 212
Short term bank deposits		191 853 562	81 334 670
Cash and its equivalents (note 21)	21	191 901 951	81 383 882

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 31, 2023 were authorized for issue in accordance with a resolution of the directors on March 14th, 2024. 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 is one of the main players on the glass packaging business and has operating activities in Portugal, Spain, Poland, Germany, Greece, Bulgaria, Romania and in 2023 the Group expanded its operations to Mexico. Furthermore, towards the end of 2023 the Group acquired a glass recycling company in United Kingdom.

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, one in Romania and two in Mexico, 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), BA Glass Romania, S.A. (operating in Romania) and Vidrio Formas SA de C.V. (operating

in Mexico). As mentioned above, with Recresco acquisition, the group starts to operate in United Kingdom in glass recycling.

2. Material 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 some uncertainty due to the adverse macroeconomic environment that impacted consumer demand, both size and mix, and our customers started to decrease forecasts, and purchasing of glass. However, considering the financial and economic position of the Group, it is not expected to impact the going concern assumption.

The decrease in market demand led an industry operating at maximum capacity to cut production by 2.9% in the first half, anticipating a more significant decline in the latter part of the year. The combination of these factors, along with the expanded capacity implemented in 2022 by BA, forced to make the difficult decision of temporary discontinuing some production lines. Despite our efforts to resist this outcome until the last minute, we implemented partial stoppages towards the end of the year to manage inventory levels.

In terms of cost structure, there was an easing of energy costs, as expected. However, stability has not yet been achieved, and the values are still considerably higher than those observed before the energy crisis. Prices of raw materials, along with all other consumables, parts, and services, have experienced noteworthy increases. Personnel costs have mirrored a comparable trajectory, helping employees navigate through the rising inflation.

EBITDA was positive at EUR 533.4M, EUR 211M higher when compared to the previous year. The EBITDA margin was 35%, increasing 12.5 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, and with part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements have been prepared on a historical cost basis, except for land, net CO₂ liabilities related derivatives, energy related derivatives, initial measurement of assets and liabilities acquired via business combinations and for a put option granted to Vidrio Formas’s NCI 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 and all the value are rounded to the nearest thousand (€000), expect when otherwise indicated.

2.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2023.

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 material 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) Put option granted to non-controlling interest

When the facts and circumstances indicate that the Group has no present ownership on the shares subject to the put option, the Group elects to follow the approach of partial recognition of non-controlling interests, under which the non-controlling interest continues to receive: (i) an allocation of profit and loss; (ii) a share of changes in appropriate reserves, and (iii) dividends declared before the end of the reporting period. At the end of each reporting period, the Group recognizes a financial liability (fair value of the put option) as if the acquisition takes place at that date. Differences between non-controlling interests and fair value of the put option after the allocation period are registered against equity reserves (other components of equity caption) and therefore have no impact on profit and loss. There is no separate accounting for the unwinding of the discount due to the passage of time.

In the event that the option expires unexercised, the financial liability is unwound such that non-controlling interest is recognized at the amount it would have been as if the put option was not granted.

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

The Group measures financial instruments such as derivatives, put option and contingent consideration related do acquisitions, and non-financial assets such as land, at fair value at each balance sheet date.

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 12.

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 measured in the financial statements at fair value 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 9.

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).

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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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	
	2023	2022	2023	2022
Polish Zloty (PLN)	4,348	4,690	4,542	4,687
New Romanian leu	4,976	4,950	4,947	4,931
Lev (Bulgaria)	1,956	1,956	1,956	1,956
Mexican Pesos	18,690	-	18,770	-
GBP (UK)	0,870	-	0,863	-

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 per balance sheet date. 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 (at least 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 - other	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 (q) 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.

k1) 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.

k2) 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.

k3) 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.

l) 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:

	Co ₂ emission rights	Customer Relationship	Licenses	Brand	Other intangibles
Useful Life	Indefinite	Finite (13 years)	Finite (3–5 years)	Finite (2 years)	Finite (3–5 years)
Amortization method used	No amortization	Amortized on a straight-line basis	Amortized on a straight-line basis	Amortized on a straight-line basis	Amortized on a straight-line basis

n1) 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 11.

n2) 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 assessed during the PPA analysis.

n3) Brand and Non-Compete Agreement
The brand and non-compete agreement 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 assessed during the PPA analysis.

o) Financial instruments (other than derivative 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.

o1) 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. Financial assets with cash flows that are not SPPI are

classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 receivables, other receivables and loans to related parties. For more information on receivables, refer to note 16.

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 financial 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 9
- Trade receivables, including contract assets: note 16 and 27

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.

o2) 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.

Financial liabilities at amortized cost (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 9 and 23.

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 rater are part of the working capital used in Grooup’s normal operating cycle, as it remains the payment on the due date of the invoices (on that date the advances are repaid to the financial institution by the Group). These agreements do 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 subsequent measurement

The Group uses derivative financial instruments, such as forward and swap commodity contracts to hedge its commodity price risks, namely in energy and CO₂. 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.

Virtual Power Purchase Agreement

In the recent years, climate changes have become one of the most important topics both politically and in the industry. European industrial companies have declared their willingness to align their business activities to achieve climate protection goals. The motivation of the industrial sector becomes visible, for example, in the increasing use of green electricity, and the sustainability and ESG reporting. Power Purchase Agreements (PPAs) offer a valuable tool for managing corporate green energy needs, and the Group has long-term contracts that have implicitly a virtual PPA.

These contracts are considered as a Financial Instrument in the scope of IFRS 9 and it is accounted as Financial Assets – Derivatives or Financial Liabilities – Derivatives, depending on if the fair value is positive or negative at the end of the period. The ineffectiveness will impact Financial Results.

Day 1 Gains/Losses Accounting

As a result of the day 1 profit provisions, entities that trade in financial instruments are prevented from immediately recognising a profit on the initial recognition of many financial instruments that are not quoted in active markets, or whose fair value is not measured based on valuation techniques that use only observable inputs. Consequently, locked-in profits will emerge over the life of the financial instruments.

The group has an accounting policy of recognizing these deferred gains or losses on straight line basis over the contract period.

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 10
- Intangible assets: note 11
- Property, plant and equipment: note 12

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 companies 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 31) 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 31 either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

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 consumable 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, that are held for purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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

t1) Issued capital

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

t2) Retained earnings

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

t3) Other components of equity

This item includes the fair value of cash flow hedges related to derivative financial instruments, such as swap commodity contracts and virtual power purchase agreements.

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.

u1) 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.

u2) 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.

u3) 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 27).

v) 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.

w) Climate-related matters

Climate-related risk currently has a significant impact on the following items:

- Economic useful life of tangible assets: when reviewing the residual values and expected useful lives of assets, the Group takes into consideration climate-related issues, including laws and regulations that may limit the use of assets or require significant capital expenditures to continue to derive economic benefits from them. New investments are directed towards reducing the carbon footprint, supported by research aimed at producing more sustainable glass, have gained traction.
- Impairment of non-financial fixed assets: although the Group concluded that no single climate-related assumption is a key assumption for the impairment tests performed on non-financial fixed assets in 2023, expectations regarding increased amounts in value in capex were taken into account when estimating value in use.
- Emission rights: the Group receives free emission rights on an annual basis and, in return, it is required to remit rights equal to its actual emissions. The Group has adopted the net liability approach to the emission rights granted (note 11).

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 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. 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 a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a 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

The new standard had no impact on the Group’s consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between

changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group’s consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide 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 have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group’s consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD’s BEPS Pillar

- Two rules and include:
- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
 - Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s

exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

Group Impact

After conducting the Safe Harbor tests (minimis, simplified ETR and routine profit tests) the Group concluded that Bulgaria is the only jurisdiction that does not meet the requirements and therefore must immediately adopt the Pillar 2 Directive. In December 2023 Bulgaria’s National Assembly announced amendments to the Corporate Income Tax Act, aiming to implement the Pillar 2 global minimum tax in accordance with Council Directive (EU) 2022/2523 of 14 December 2022. These amendments introduce the Pillar 2 income inclusion rule (IIR) and the undertaxed payment/profit rule (UTPR) to ensure a minimum tax level of 15% for MNE groups with annual consolidated revenue of at least EUR 750 million (or BGN equivalent) in at least two of the preceding four fiscal years. Additionally, the amendments introduced a qualified domestic minimum top-up tax (QDMTT) for members of in-scope groups, referred to as a national additional tax. The IIR and QDMTT apply from 1 January 2024, while the UTPR applies from 1 January 2025. Consequently, due to the rise in Bulgarian taxes, the Group anticipates a corresponding increase in Corporate Income Tax at a Group level.

3.2. Changes in accounting policies or correction of errors

During the year of 2023, there has been no changes in accounting policies nor the correction of errors.

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 42
- Sensitivity analyses disclosures notes 10 and 42.

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:

Purchase Price Allocation – Vidrio Formas Acquisition

Put Option

The put should be measured at a fair value of the gross obligation for the potential future acquisition of the shares using the following methodology. To obtain a discount rate in MXN, the rate that reflects the credit profile in EUR for a Company that has its operations in Europe will first be determined. This rate is obtained by:

- Since there are no rating curves to discount liabilities in MXN for companies with operation in Europe, the Group have started from a rating curve in EUR according to the Company credit profile to obtain this rate.
- A bond is set up in EUR with the same characteristics as the bond in MXN.
- The rate of the bond in MXN will be obtained with a cross currency swap.

Once the rate in EUR has been obtained, the valuation of a cross currency swap was carried out.

The rate in MXN that equals the present value of the EUR leg to the present value of the MXN leg will be considered the rate at which the Company could fund a loan in MXN’s with characteristics similar to the bank liability.

The liability will be discounted using the rating curve of the Company’s credit profile.

The rate in MXN that equals the present value of the liability to the initial unpaid balance will be considered as the Company’s rate in MXN.

Estimations and assumptions

a) 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.

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.

→ 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 2023, the amount recognized as refund liabilities for the expected volume rebates was EUR 11,9 million (note 27).

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 10. The Group tests goodwill for impairment on an annual basis.

b) Recognition of provisions

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 24). As of 2023 there are no 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 measurement 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 notes 18, 25 and 27 for further disclosures.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based in discounted cash flows. The key assumption take into consideration the probability of meeting each performance target and the discounted factor (note 7).

d) Revaluation of land

The Group carries its land at revalued amounts, with changes in fair value being recognized in OCI. The land is valued by reference to transactions involving properties of a similar nature, location and condition. The Group engages independent

valuation specialists to assess fair values at least every 5 years.

e) Impairment of trade receivables

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.

f) Impairment of inventories

The Group updates its assessment of impairment of inventories quarterly. This includes assessments about obsolete items and net realizable value in inventory. 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, 2023	Dec. 31, 2022
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 Il Marinha Grande, SGPS, S.A.	Avintes (Portugal)	100%	100%
Artividro - Arte em Vidro, Lda.	Leiria (Portugal)	87,5%	87,5%
BA Glass Greece, S.A.	Athens (Greece)	100%	100%
Huta Szklana Holding Sp.Z.o.o	Sieraków (Poland)	82%	82%
Glasstank, B.V.	Amsterdam (Netherlands)	100%	100%
BA Glass Romania, S.A. (1)	Bucurest (Romania)	100%	100%
BA Glass Bulgaria, S.A. (1)	Sofia (Bulgaria)	100%	100%
Vidrio Formas, S.A. de C.V.	Mexico City (Mexico)	60%	-
Corpo Vica, S.A.P.I de C.V.	Mexico City (Mexico)	60%	-
Pronav, S.A. de C.V.	Mexico City (Mexico)	56,4%	-
Recresco Limited	England (Nottingham)	100%	-

(1) Companies were excluded from consolidation because they are dormant and totally immaterial.

These subsidiaries are fully consolidated.

For the acquisitions of the year, see note 7.

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 2023 and 2022.

7. Business combinations and acquisition of non- controlling interest

The Group has engaged in business combination during the reporting period, whereby control was obtained. These transactions have been accounted according to IFRS 3. Under this method, identifiable assets acquired, liabilities assumes and any non-controlling interests in the acquired business are recognized at their fair values at the acquisition date. Any excess of the consideration transferred over the fair value of net assets acquired is recognized as goodwill.

Acquisitions

Acquisitions in 2023

Mexico

The company signed a Share Purchase Agreement on July 12, 2023 to acquire 60% of Vidrio Formas SA de C.V. The closing date of the business was on November, 2023. The agreement

has put and call options mechanisms that will allow BA to acquire the non-controlled shares in the future. The Group has elected to measure the non-controlling interests in the acquiree at fair value.

The fair value of the identifiable assets acquired, and liabilities assumed as at the date of acquisition were:

Assets	Fair value recognized on acquisition (€)
Intangible assets	103 787 102
Property, plant and equipment	138 783 330
Goodwill	53 654
Other financial investments	1 259 684
Deferred tax assets	1 001 781
Inventories	47 962 416
Trade receivables	26 792 470
Other assets	4 718 402
Cash and short term deposits	64 523 199
Liabilities	
Interest-bearing loans and borrowings	26 409 069
Trade payables	6 749 791
Other payables	14 671 048
Deferred tax liabilities	47 701 798
Total identifiable net assets at fair value	293 350 331
Fair value non-controlling interests	(130 755 895)
Goodwill arising on acquisitions (Note 10)	62 051 030
Purchases consideration transferred	(224 645 466)

The fair value of the Property, Plant and Equipment and Intangible Assets (brand, customer relationship and non-compete agreement) is higher by EUR 55M and EUR 104M respectively, to the carrying amount in Vidrio Formas books, which led to a recognition of a deferred tax liability of EUR 48M. The deferred tax liability mainly comprises the tax effect of the depreciation for tax purposes of tangible and intangible assets, as this is not done in tax accounts.

The goodwill of EUR 62M comprises the value of expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes. As of December 31, 2023 the determination of goodwill is completed. The fair value of the non-controlling interests has been estimated in accordance with the terms of the shareholders agreement. As of December 31, 2023 the group recognizes a financial liability amounting to EUR 192M which corresponds to the actual value of the put option granted to the non-controlling interests.

At the acquisition date, the fair value of the trade receivables was EUR 26,8M, and it is expected that the full contractual amounts can be collected.

To estimate the Fair Value of the Customer Relationship, we applied the Multi-Period Excess Revenue Method (“MPEEM”), a variation of the income approach that estimates and intangible asset’s value based on the present value of the incremental after tax-cash flows (or “excess earnings”) attributable only to the intangible asset.

When applying the MPEEM, the expected benefits generated by the Customer Relationship are projected over the remaining useful life estimated for the intangible asset under analysis. Profits are adjusted by taxes and by the required return related to the use of contributory assets.

Later, the returns of all the assets involved in the generation of total cash flows are deducted and the residual generated by the intangible asset subject to valuation is isolated and discounted at present value.

The attrition rate is calculated to estimate the percentage of customers who are expected to stop consuming and/or purchasing products from the Acquired Company annually. We considered a lifespan of 13 years, which in turn represents an attrition rate of 7.7%.

For the valuation of the Customer Relationship, we considered appropriate to calculate a discount rate based on the WACC of the business plus a 2% premium related to the additional risk of the intangible asset. The discount rate used we used in the valuation of the Customer Relationship was 19.5% in nominal terms and in MXN.

To determine the Fair Value of the PP&E, we performed the analysis of the historical financial information of Vidrio Formas. For the estimation of the contributory charges generated by the PP&E. The rate of return used was 14% over the value of

the PP&E during the projection period, based on the cost of equity and the cost of debt determined for the Company and considering a debt-to-equity structure of 50%/50%.

NCI at acquisition date were measured at fair value which has been determined considered the consideration paid for the 60% stake adjusted by a control premium.

From the date of acquisition, Vidrio Formas contributed with EUR 21M of revenue and EUR 0,2M negative to profit before tax from continuing operation of the Group. If the combination had taken place at the beginning of the year, the revenue from continuing operation would have been higher by EUR 125M and profit before tax from continuing operations for the Group would have been higher by EUR 32M.

Transaction costs of have been expensed and are included in administrative expenses. There is a contingent consideration that has been agreed as part of the purchase price in the amount of EUR 10M.

The below table present the breakdown of the purchase consideration transferred.

Purchases consideration	Amount in EUR
Consideration paid	214 455 811
Contingent consideration	10 189 655
Total	224 645 466

The cash flow on acquisition were as follows:

	Amount in EUR
Consideration paid	214 255 811
Net cash acquired	(28 033 419)
Net cash flow on acquisition	196 612 048

United Kingdom

The company signed a Share Purchase Agreement on December 7, 2023, to acquire 100% of Recresco Limited. The completion date took place on December 20, 2023. A provisional goodwill (justified by the lack of time to perform purchase price allocation) in amount of 104.8M€ was recognised and represents the difference between the consideration paid and the net book assets of the entity. None of the goodwill recognized is expected to be deductible for

income tax purposes. The Purchase Price Allocation will be completed within 12 months and the determination of the fair value of the assets and liabilities will be done during this period.

The net book assets of the identifiable assets acquired, and liabilities assumed as at the date of acquisition were:

Assets	Preliminary fair value recognized on acquisition (€)
Property, plant and equipment	18 111 099
Inventories	6 260 285
Trade receivables	8 761 236
Other assets	1 730 114
Cash and short-term deposits	31 774 944
Liabilities	
Interest-bearing loans and borrowings	2 279 881
Trade payables	6 623 345
Other payables	5 342 558
Deferred tax liabilities	2 364 235
Total identifiable net assets at fair value	50 027 660
Fair value non-controlling interests	-
Goodwill arising on acquisitions (Note 10)	104 783 867
Purchases consideration transferred	154 811 527

If the combination had taken place at the beginning of the year, the revenue from continuing operation would have been higher by EUR 80M and profit before tax from continuing operations for the Group would have been higher by EUR 25M.

The transaction costs related to this business combination have been expensed and are included in administrative expenses. There is a contingent consideration that has been agreed as part of the purchase price, as the earn out agreement applied is based on future performance.

The below table present the breakdown of the purchase consideration transferred.

Purchases consideration	Amount in EUR
Consideration paid	93 192 011
Contingent consideration	61 620 426
Total	154 811 527

The cash flow on acquisition were as follows:

	Amount in EUR
Consideration paid	93 192 011
Net cash acquired	(31 774 944)
Net cash flow on acquisition	61. 417 067

8. Material party-owned subsidiaries

Apart from the subsidiary in Mexico, no other subsidiary has material non-controlling interests (note 7).

9. 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 financial assets and financial liabilities are classified in the categories presented in tables below, accordingly to IFRS 13. Those measured at fair value are considered as Level 3 in the fair value hierarchy, except what concerns the balance of EUR 124.591 (EUR 180M in 2022) included in other financial assets, related with energy price hedging instruments, that is considered as Level 2.

Financial Assets

	Note	Financial assets at amortized cost	Financial assets at FVOCI	Financial assets at FVPL	Total
Other financial investments	14	11 228 307	-	-	11 228 307
Trade receivables	16	209 623 505	-	-	209 623 505
Other current debtors	17	37 658 367	-	-	37 658 367
Derivative assets	18	-	12 718 159	-	124 591
Cash and short term deposits	21	52 548 504	-	255 394 570	191 901 951
Total December 31, 2023		1 087 000 165	12 718 159	255 394 570	450 536 721
Other financial investments		7 965 140	-	-	7 965 140
Trade receivables		292 116 224	-	-	292 116 224
Other current debtors		35 998 909	-	-	35 998 909
Receivables from related parties		191 000 000	-	-	191 000 000
Derivative assets		-	180 709 285	-	180 709 285
Cash and short term deposits		81 383 882	-	-	81 383 882
Total December 31, 2022		608 464 155	180 709 285	-	789 173 440

Financial Liabilities

	Note	Financial liabilities at amortized cost	Financial liabilities at FVOCI	Financial liabilities at FVPL	Total
Interest - bearing loans and borrowings	23	737 281 409	-	-	737 281 409
Trade payables	26	228 159 654	-	-	228 159 654
Other payables	28	69 010 598		-	69 010 598
Derivative liabilities	18	-	12 718 159	-	12 718 159
Other financial liabilities	25 27	116 054 084	191 888 990	-	307 943 074
Total December 31, 2023		1 150 505 745	204 607 149	-	1 355 112 895
Interest - bearing loans and borrowings		654 788 800	-	-	654 788 800
Trade payables		381 431 607	-	-	381 431 607
Other payables		61 967 115	-	-	61 967 115
Other financial liabilities		27 015 256	-	278 795	27 294 051
Total December 31, 2022		1 125 202 778	-	278 795	1 125 481 573

For the financial assets and liabilities at amortized cost, in particular, interest-bearing loans and borrowings, the carrying amount is considered to be a reasonable approximation of its fair value.

There were no transfers between levels during the year.

10. Goodwill

As at December 31, 2023 and December 31, 2022, Goodwill was made up as follows:

	Dec. 31, 2023	Dec. 31, 2022
Cost		
Iberia	89 569 229	89 569 229
Poland	104 514 821	96 895 550
Germany	13 889 718	13 889 718
Southeast Europe	208 217 367	208 566 904
Mexico	64 125 609	-
United Kingdom	103 717 536	-
	584 034 279	408 921 401
Impairment		
Iberia	(8 345 363)	(8 345 363)
	(8 345 363)	(8 345 363)
Net book value	575 688 916	400 576 038

Changes in goodwill are shown as follows:

	Dec. 31, 2023	Dec. 31, 2022
Opening balance	400 576 038	402 489 333
Foreign exchange differences	8 277 981	(1 913 295)
Additions	166 834 898	-
Closing balance	575 688 916	400 576 038

Impairment testing of goodwill

Goodwill has been allocated to the distinguishable Cash Generating Units (CGUs) (Iberia, Germany, Poland and Southeast Europe regions), for impairment testing purposes.

The Group performed its annual impairment test as at December 31, 2023 and December 31, 2022.

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 in line with 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	2023	2022
Iberia	7,5%	7,9%
Poland	9,2%	10,7%
Germany	7,0%	7,2%
Southeast Europe	9,1%	10,6%

The tests performed at year-end 2023 and 2022 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.

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 linked to the expected evolution of costs for 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 a decrease in prices based on data available from the markets and the derivatives contracted; otherwise, past actual raw material and energy price movements are used as an indicator of future price movements; and
- 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 1-percentage point increase in the discount rate and a 1-percentage point decrease in terminal growth rate would not reveal any indication of impairment.

Assumption	Discount rate	Perpetuity growth rate
Δ	+1%	-1%
Iberia	No impairment	No impairment
Poland	No impairment	No impairment
Germany	No impairment	No impairment
Southeast Europe	No impairment	No impairment

There was no impairment test performed for Mexico and UK due to the fact that the companies were acquired closely to the year end.

11. Intangible assets

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

	CO ₂ emission rights	Customer relationship	Licenses	Other	Total Amount
Cost					
Balance as at January 1, 2023	8 679 559	32 070 086	2 269 520	1 020 282	44 039 447
Foreign exchange differences	-	3 139 077	309	301 875	3 441 260
Acquisitions of subsidiaries	-	97 016 108	-	6 771 376	103 787 484
Additions	56 456 250	-	-	394 156	56 850 406
Disposals	-	-	(1 381 380)	-	(1 381 380)
Transfers/ Release to P&L	(23 947 840)	-	-	-	(23 947 840)
Balance as at December 31, 2023	41 187 969	132 225 271	888 449	8 487 690	182 789 379
Amortization and impairment					
Balance as at January 1, 2023	-	14 950 315	2 269 520	911 914	18 131 749
Foreign exchange differences	-	13 020	(9 136)	77 444	81 328
Amortization charge of the year	-	3 679 041	-	434 710	4 131 751
Disposals	-	-	(1 371 935)	-	(1 371 935)
Transfers/ Release to P&L	-	-	-	-	-
Balance as at December 31, 2023	-	18 660 376	888 449	1 424 068	20 972 892
Net book value as at December 31, 2023	41 187 969	113 564 895	-	7 063 622	161 816 486

	CO ₂ emission rights	Customer relationship	Licenses	Other	Total Amount
Cost					
Balance as at January 1, 2022	3 537 551	32 084 211	2 260 357	1 072 311	38 954 430
Foreign exchange differences		(14 125)	9 163	(20 649)	(25 611)
Additions	31 882 280	-	-		31 882 280
Disposals	-	-	-	(31 380)	(31 380)
Transfers/ Release to P&L	(26 740 272)	-	-		(26 740 272)
Balance as at December 31, 2022	8 679 559	32 070 086	2 269 520	1 020 282	44 039 447
Amortization and impairment					
Balance as at January 1, 2022	-	12 604 745	2 260 357	1 061 255	15 926 357
Foreign exchange differences	-	(74 968)	(2 932)	51 435	(227 240)
Amortization charge of the year	-	2 420 538	12 095	-	2 432 632
Disposals	-	-	-	-	-
Transfers/ Release to P&L	-	-	-	(200 776)	-
Balance as at December 31, 2022	-	14 950 315	2 269 520	911 914	18 131 749
Net book value as at December 31, 2022	8 679 559	17 119 772	-	108 368	25 907 699

The CO₂ emission rights balance represents the emission rights purchased higher than emissions for the year.

The customer relationships were acquired as part of a business combination (see note 7). 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 defined during the purchase price allocation process.

Licenses are predominantly related to computer software.

12. 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, 2023	100 809 702	272 474 781	1 123 428 691	2 751 587	12 088 880	19 052 985	52 282 506	29 623 660	1 612 512 793
Foreign exchange differences	500 798	4 276 885	11 729 255	44 045	110 226	173 989	532 927	172 903 87	17 541 030
Acquisition of subsidiaries	15 910 334	56 490 875	82 215 762	1 022 496	262 789	429 507	708 247	-	157 040 010
Additions	582 419	29 053 066	127 195 098	1 643 154	292 674	353 057	53 434 662	4 448 253	216 002 382
Disposals/write off	(559 653)	(484 610)	(10 799 000)	(64 578)	-	-	-	(3 995 680)	(15 903 522)
Revaluation	(2 807)	-	-	-	-	-	-	-	(2 807)
Transfers/Other adjustments	2 484 598	15 491 681	21 863 543	-	1 804 985	(5 920 452)	(25 212 875)	(10 511 480)	-
Balance as at December 31, 2023	119 725 391	377 302 678	1 355 633 348	5 396 704	14 559 554	14 089 087	80 745 467	19 737 657	1 987 189 885
Depreciation and impairment									
Balance as at January 1, 2023	-	134 986 096	799 431 804	2 401 915	10 704 535	17 921 089	-	17 074 089	982 519 528
Foreign exchange differences	-	1 289 774	6 477 697	22 950	102 280	171 234	-	145 676	8 209 611
Depreciation charge of the year	-	9 216 218	80 958 113	133 273	453 547	372 265	-	4 201 597	95 335 014
Disposals/write off	-	-	(10 799 000)	(14 269)	-	-	-	(3 572 473)	(14 385 742)
Transfers/Other adjustments	-	3 750 158	9 713 618	(31 756)	(136 666)	(6 624 890)	-	(6 670 464)	-
Balance as at December 31, 2023	-	149 242 246	885 782 232	2 512 113	11 123 697	11 839 698	-	11 178 426	1 071 678 412
Net book value as at December 31, 2022	100 809 702	137 488 685	323 996 887	349 673	1 384 345	1 131 896	52 282 506	12 549 571	629 993 264
Net book value as at December 31, 2023	119 725 391	228 060 432	469 851 117	2 884 590	3 435 857	2 249 389	80 745 467	8 559 231	915 511 479

	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, 2022	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
Foreign exchange differences	(25 070)	(977 593)	(2 622 197)	(1 555)	(3)	(22 022)	-	(179 612)	(3 828 052)
Additions	929 818	17 015 807	56 053 016	73 019	192 938	223 848	48 087 556	4 576 339	127 152 341
Disposals/write off	(424 965)	(1 678 666)	(59 625 554)	(379 558)	-	(502 146)	-	(283 666)	(62 894 554)
Transfers/Other adjustments	(7 462)	10 402 712	81 421 475	-	(6 141 546)	120 779	(85 795 958)	-	-
Balance as at December 31, 2022	100 809 702	272 474 781	1 123 428 691	2 751 587	12 088 880	19 052 985	52 282 506	29 623 660	1 612 512 794
Depreciation and impairment									
Balance as at January 1, 2022	-	128 985 244	780 905 001	2 647 904	10 385 128	17 953 135	-	12 435 515	953 311 927
Foreign exchange differences	-	(351 880)	(1 828 857)	(1 061)	(2)	(16 110)	-	(92 154)	(2 290 064)
Depreciation charge of the year	-	7 623 611	78 605 393	133 179	391 046	486 210	-	4 611 326	91 850 766
Disposals/write off	-	(1 648 218)	(59 537 576)	(378 108)	-	(502 146)	-	(252 866)	(62 318 914)
Transfers/Other adjustments	-	377 339	(677 971)	-	(71 636)	-	-	372 268	-
Impairment Losses	-	-	1 965 814	-	-	-	-	-	1 965 814
Balance as at December 31, 2022	-	134 986 096	799 431 804	2 401 915	10 704 535	17 921 089	-	17 074 089	982 519 528
Net book value as at December 31, 2021	100 337 381	118 727 277	267 296 949	411 777	7 652 363	1 279 391	89 990 909	13 075 084	598 771 132
Net book value as at December 31, 2022	100 809 702	137 488 685	323 996 887	349 673	1 384 345	1 131 896	52 282 506	12 549 571	629 993 265

During 2023 and 2022, there is no amount of borrowing costs capitalized.

Assets under construction as at 31 December 2023 relates to investments to be done in furnaces in Romania, Bulgaria and Portugal.

Revaluation of land

In 2023 the Group performed lands revaluations in countries whereas the last revaluation assessment was made 5 years ago and because there are no clear indication for a material revaluation to be identified.

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 January 1, 2023	2 481 780	13 011 548	5 816 958	8 313 373	29 623 659
Foreign exchange differences	-	32 601	81 751	58 552	172 904
Additions	-	838 708	2 103 182	1 506 363	4 448 253
Disposals/write off	-	(2 876 552)	(926 001)	(193 127)	(3 995 680)
Transfers/Other adjustments	(2 481 780)	(7 502 408)	(6 704)	(520 588)	(10 511 480)
Balance as at December 31, 2023	-	3 503 897	7 069 186	9 164 573	19 737 656
Depreciation and impairment					
Balance as at January 1, 2023	-	8 796 720	4 012 833	4 264 536	17 074 089
Foreign exchange differences	-	33 273	41 280	71 124	145 676
Depreciation charge of the year	-	959 650	1 190 594	2 051 353	4 201 597
Disposals/write off	-	(3 027 042)	(657 599)	112 169	(3 572 473)
Transfers/Other adjustments	-	(5 846 731)	(252 477)	(571 256)	(6 670 464)
Impairment Losses	-				
Balance as at December 31, 2023	-	915 869	4 334 631	5 927 926	11 178 426
Net book value as at December 31, 2023	-	2 588 028	2 734 555	3 236 647	8 559 231

	Land	Buildings & other constructions	Transport equipment	Other fixed assets	Total
Gross Assets					
Balance as at January 1, 2022	2 481 780	12 544 458	4 274 361	6 210 000	25 510 599
Foreign exchange differences	-	-	-	(179 612)	(179 612)
Additions	-	130 260	1 262 635	3 183 443	4 576 339
Disposals/write off	-	(25 974)	-	(257 692)	(283 666)
Revaluation	-	-	-	-	-
Transfers/Other adjustments	-	362 804	279 962	(642 766)	-
Balance as at December 31, 2022	2 481 780	13 011 548	5 816 958	8 313 373	29 623 660
Depreciation and impairment					
Balance as at January 1, 2022	-	6 623 249	2 808 839	3 003 427	12 435 515
Foreign exchange differences	-	-	-	(92 154)	(92 154)
Depreciation charge of the year	-	1 710 535	1 168 094	1 732 697	4 611 326
Disposals/write off	-	(15 151)	-	(237 715)	(252 866)
Transfers/Other adjustments	-	478 087	35 900	(141 719)	372 268
Impairment Losses	-	-	-	-	-
Balance as at December 31, 2022	-	8 796 720	4 012 833	4 264 536	17 074 089
Net book value as at December 31, 2022	2 481 780	4 214 828	1 804 125	4 048 837	12 549 571

13. Investment properties

	Dec. 31, 2023	Dec. 31, 2022
Gross Assets		
Balance as at January 1	1 842 343	1 842 343
Increases	-	-
Foreign exchange differences	-	-
Decreases	-	-
Balance as at December 31	1 842 343	1 842 343
Depreciation		
Balance as at January 1	939 448	882 077
Increases (Current Depreciation)	57 371	57 371
Foreign exchange differences	-	-
Decreases	-	-
Balance as at December 31	996 820	939 448
Net value as at December 31	845 523	902 895

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 (20–50 years or any depreciation in case of lands). Rentals are earned and they are recognized in “other operating income” (note 31).

The Group has no restrictions on the recoverability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. As at 31 December 2023, BA estimates that the fair value is higher than the book value.

14. Other financial investments

Changes in other financial assets were as follows:

	Dec.31, 2023	Dec.31, 2022
As at January 1	7 965 140	5 500 746
Acquisition of subsidiaries (Mexico)	1 300 675	-
Additions	2 085 064	2 004 734
Disposals	-	-
Gain/(loss) of Fair Value	(125 969)	459 774
Foreign exchange differences	3 398	(113)
As at December 31	11 228 307	7 965 140

Additions for 2023 and 2022 are related to investments in funds which activity is connected to investment in companies engaged in R&D activities which may allow tax benefits.

15. Inventories

Description	Dec.31, 2023	Dec.31, 2022
Raw materials and consumables	46 695 718	35 468 678
Finished goods and work in progress	228 984 007	151 086 225
Goods for resale	685 783	690 211
	276 365 508	187 245 114
Impairment	(19 122 703)	(5 988 334)
	257 242 805	181 256 780

Quality of stock is reviewed periodically, and non-conforming stock is destroyed immediately. The increases / decreases of finished goods and work in progress, and the impairment, of the period are recognized in the caption “Change in stocks of finished goods”.

The year-over-year increase is attributed to higher inventories of finished goods, resulting from reduced market demand, which also impacts the impairment amount, along with the acquisition of Vidrio Formas.

The variation of Raw materials and consumables and Changes in stock of finished goods is as follows:

Raw Materials and consumables	2023	2022
Opening Balance	34 790 184	29 405 375
Purchases	585 794 569	840 035 517
Acquisition of subsidiaries	1 281 841	-
Regularizations	-	-
Closing Balance	(44 677 007)	(34 790 184)
	577 189 587	834 650 708
Finished goods and WIP		
Opening Balance	146 466 596	108 162 150
Acquisition of subsidiaries	52 940 860	-
Regularizations	2 139 260	(206 726)
Closing Balance	(212 565 797)	(146 466 596)
	11 019 082	38 511 171

Raw materials and consumables includes the cost with the consumptions of raw materials such as silica sand, limestone, cullet, energy and CO₂ licenses.

16. Trade receivables

Description	Dec.31, 2023	Dec.31, 2022
Trade receivables	214 554 730	300 243 093
Notes receivables	5 322 859	1 829 955
	219 877 589	302 073 048
Impairment	(10 254 084)	(9 956 824)
	209 623 505	292 116 224

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

The movements in the impairment allowance of receivables are as follows:

Description	Dec.31, 2023	Dec.31, 2022
As at January 1	9 956 824	9 333 986
Charges of the year	1 521 943	1 302 680
Unused amounts reversed	(1 232 235)	(670 863)
Foreign exchange differences	7 552	(8 978)
As at December 31	10 254 084	9 956 824

17. Other debtors

	Dec. 31, 2023	Dec. 31, 2022
Current		
State and other state entities	24 117 387	25 675 511
Right of return - Arising from Return Pack	8 023 217	5 527 030
Other receivables/prepayments	1 592 927	3 265 676
Other	3 924 836	1 530 692
	37 658 367	35 998 909

The carrying amount of “State and other state entities” is 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 (see note 27).

The caption “Other receivables/prepayments” mainly relates to prepayments to suppliers.

18. Derivatives

Assets	Dec. 31, 2023	Dec. 31, 2022
Non Current		
Derivative financial instruments	-	52 201 733
	-	52 201 733
Current		
Derivative financial instruments	124 591	128 507 552
	124 591	128 507 552
	124 591	180 709 285
Liabilities		
Non Current		
Derivative financial instruments	12 718 159	-
	12 718 159	-
Current		
Derivative financial instruments	-	-
	-	-
	12 718 159	-
Derivative financial instruments (net)	(12 593 568)	180 709 285

BA Glass is exposed to changes in commodity prices, including the energy (mainly natural gas) that is used in its operating activities. The company limits its exposure to energy price fluctuations through the use of swaps to fix energy purchase prices.

As at 31 December 2023, the derivative financial instruments includes energy swaps agreements and Virtual Power Purchase Agreements (Vppa). The fair value of the amounts covered by energy swaps is negative at EUR 12,6M (2022: asset of EUR 180.7M) of which EUR 124k relate to contracts maturing in 2024 and EUR 8,8M in 2025. Additionally, this caption is also affected by the vPPA which fair value amounted to EUR -3,9M. BA Glass estimates that with these derivatives it has covered

approximately 21% of its consumption.

The hedge relationship qualifies for the cash flow hedge accounting application. As at 31 December 2023, the fair value amount referred above is reflected in equity net of deferred tax impact under the caption “Other components of equity”, based on accounting policies disclosed under note 2p, with an ineffective portion being recorded in the income statement.

The effect of the cash flow hedges in the statement of profit or losses amounted to EUR 49,1M (2022: EUR 78,4M), of which EUR 66,9M related to the discontinuation of derivatives settled in 2023 (2022: nil). From a management perspective, EBITDA does not include this discontinuance of derivatives as it was a one-off transaction.

19. Receivables from related parties

	Dec. 31, 2023	Dec. 31, 2022
Current		
Related parties	-	191 000 000
	-	191 000 000

The caption “Related parties” in 2022 relates to the purchase of commercial paper issued by BA Glass Packaging, S.A., to be used as an advanced deposit for an acquisition process and it was remunerated at market’s interest rate (Euribor for the issuance period plus spread of 160bps). In June the amount was reimbursed.

20. Other asset

	Dec. 31, 2023	Dec. 31, 2022
Current		
Accrued income	9 125 526	1 594 348
Deferred costs - insurances	1 253 417	774 871
Other	629 027	146 477
	11 007 970	2 515 696

The caption “accrued income” is mostly related to hedging settlement (EUR 7,9M). Additionally, there is an impact of the acquisitions in EUR 1,7M. The caption of insurances is also being impacted in more than EUR 500k with Mexico acquisition.

21. Cash and short-term deposits

	Dec. 31, 2023	Dec. 31, 2022
Cash on Hand	48 389	49 212
Bank Balance	191 853 562	81 334 670
Total Cash and short-term deposits	191 901 951	81 383 882

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.

22. Equity

Issued capital

As at December 31, 2023 and 2022, 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 31, 2023 and December 31, 2022:

	Dec. 31, 2023		Dec. 31, 2022	
	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%

Teak Capital and Tangor Capital have a directly participation in Fim do Dia SGPS of 33,616% and 40,059%, respectively.

Other capital reserves

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

Other components of equity

In 2023 the decrease of EUR 145,4M mainly relates to cash flow hedges (net of deferred tax impact, see note 18).

Retained earnings

In 2023 a dividend of EUR 2.778 (2022: EUR 2.778) per share was paid, totalizing EUR 100M (2022: EUR 100M).

In the last years, shareholders decided to apply part of the results – in the amount of EUR 21.8 M – to a reserve for the development of technologies that will allow the reduction of CO₂ generated in Group’s plants and mitigate its impact in the environment, through the support of R&D projects.

23. Interest-bearing loans and borrowings

	Dec. 31, 2023	Dec. 31, 2022
Interest Bearing loans and Borrowings		
Non – current	571 397 373	552 226 208
Current	165 884 037	102 562 592
	737 281 409	654 788 800
Cash and short term deposits		
Cash	48 389	49 212
Bank deposits	191 853 562	81 334 670
	191 901 951	81 383 882
Net Debt	545 379 458	573 404 918

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 amount of interests-bearing and borrowings in foreign currency corresponds to 21% of total balance.

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

	Short term	Long term	Total Debt Dec.31, 2023	Total Debt Dec.31, 2022
Bank Loans	55 017 099	231 202 722	286 219 822	139 354 795
Bonds and commercial paper	95 850 000	324 450 000	420 300 000	477 852 318
Bank overdrafts	-	-	-	10 703 248
Other loans	11 926 638	10 054 857	21 981 495	14 253 991
Cash and Bank deposits	(191 901 951)	-	(191 901 951)	(81 383 882)
Lease liabilities	3 090 299	5 689 793	8 780 093	12 624 449
	(26 017 914)	571 397 372	545 379 458	573 404 918

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 back 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 1,26, significantly below the levels where the Board of Directors has given indications the debt should be.

23.1. Maturity of debt

Maturity of Debt, except lease liabilities	
2024	162 793 738
2025-2026	244 500 985
> 2027	321 206 594

24. Provisions

	Retirement pensions (note 37)	Environmental liabilities	Others	Total
Balance as at January 1, 2023	2 399 679	193 238	6 928	2 599 844
Foreign exchange difference	12 516	-	-	12 516
Utilization	(272 532)	-	-	(272 532)
Increase in the year	248 055	-	-	248 055
Actuarial results through OCI	(32 629)	-	-	(32 629)
Other	(11 165)	-	-	(11 165)
Balance as at December 31, 2023	2 343 378	193 238	6 928	2 544 089
Balance as at January 1, 2022	3 624 906	193 238	56 550	3 874 694
Foreign exchange difference	(4 982)	-	(183)	(5 165)
Utilization	(536 045)	-	(49 440)	(585 485)
Increase in the year	359 179	-	-	359 179
Actuarial results through OCI	(1 000 577)	-	-	(1 000 577)
Other	(42 801)	-	-	(42 801)
Balance as at December 31, 2022	2 399 679	193 238	6 928	2 599 844

In 2021, Minas de Valdecastillo, SAU is liable for restoration of land allocated to its mining operations which are estimated to an amount of EUR 193k (refer to note 41.2).

25. Other non current liabilities

The “other non current liabilities” includes 192M€ related to the fair value of the non-controlling interest in Vidrio Formas acquisition which has been estimated in accordance with the terms of the shareholders agreement. Through a valuation technique that was calculated based on the discounted cash flow methodology and that was prepared applying the level 3 of the value measurement hierarchy. The put option could be exercised during years 2026 to 2028. The remaining amount is related to contingent consideration to be paid in connection to acquisitions (see note 7).

26. Trade payables

The caption “Trade payables” as at 31 December 2023 and 2022 is made up as follows:

	Dec. 31, 2023	Dec. 31, 2022
Trade payables	228 159 654	381 431 607
	228 159 654	381 431 607

This caption as at 31 December 2023 and 2022 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.

27. Other current liabilities

	Dec. 31, 2023	Dec. 31, 2022
Accrued costs		
Payroll expenses	10 286 121	8 619 670
Finance expenses	4 259 075	1 087 734
Bonus granted (rappel)	11 930 522	4 797 626
Co ₂ licenses	-	278 795
Contingent consideration (see note 7)	63 505 580	-
Other	9 469 445	6 495 210
	99 450 742	21 279 035
Refund liability - Arising from Return. Pack.	8 111 026	5 527 030
Other deferred revenue	815 786	487 986
	8 926 811	6 015 016
Other current liabilities	108 377 553	27 294 051

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

28. Other payables

	Dec. 31, 2023	Dec. 31, 2022
State and other state entities	11 638 426	6 902 942
Fixed asset suppliers	44 460 735	31 311 629
Advance payments received from costumers	252 702	20 136 126
Other	12 658 735	3 616 419
	69 010 598	61 967 115

The caption “State and other state entities” as at December 31, 2023 comprises an amount of EUR 3,9M (2022: EUR 2.6M) related with social security contributions, personnel income taxes withheld amounting to EUR 1,6M (2022: 1,2M) derived from December payroll, and VAT payable of EUR 10M (2022: EUR 5.5). The increase in VAT is related to Vidrio Formas acquisition.

The amount for fixed assets suppliers in 2023 and 2022 corresponds to balances resulting from investments in Iberia, Southeast and Central Europe plants.

29. Government grants

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

	Dec.31, 2023	Dec.31, 2022
As at January 1	8 675 235	6 559 823
Foreign exchange difference	38 247	(9 835)
Received during the year	95 778	7 351 598
Released to the statement of profit or loss	(3 001 394)	(5 226 351)
Other adjustments	0	0
As at December 31	5 807 867	8 675 235
Current	1 538 551	3 380 971
Non-current	4 269 316	5 294 264

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 31).

30. Revenue from contracts with customers

30.1. Disaggregated revenue information

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

	Europe					
Description	Iberia division	Central division	Southeast division	Inter-segment elimination	Mexico	Total
Total Dec.31,2023	777 388 504	279 826 991	446 080 922	(1 190 194)	20 813 740	1 522 919 964
Total Dec.31,2022	757 996 745	245 496 289	430 610 142	(2 734 962)	-	1 431 368 215

30.2. Contract balances

In 2022, there were advances received from customers in the amount of EUR 20,1M related to order from customers to secure volumes during 2023. In 2023 the amount of advances is not relevant (see note 28).

30.3. Right of return assets and refund liabilities

	Dec.31, 2023	Dec.31, 2022
Right of return assets - arising from Returnable Packaging	8 111 026	5 527 030
Refund Liabilities - arising from volume rebates	11 930 522	4 797 626
Refund Liabilities - arising from Returnable Packaging	8 111 026	5 527 030

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.

30.4. 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 rebate which give rise to variable consideration subject to constraint.

There is no revenue recognised in 2023 (neither in 2022) that was related with performance obligations satisfied (or partially satisfied) in previous periods.

31. Other operating income

Description	Dec.31, 2023	Dec.31, 2022
Government grants (note 29)	3 001 394	5 226 351
Operating subsidies	1 087 749	1 155 137
Gain on disposal of assets	798 335	592 739
Indemnities - Insurance	1 608 327	153 409
Rentals	84 512	90 419
Tax refund	215 274	-
Write off balances	608 298	-
Refunds energy	4 572 194	169 192
Other	2 611 153	823 749
	14 587 237	8 210 996

The variation of other operation income is mostly justified by the increase in energy refunds in Poland (EUR 4M) due to the high prices of gas and energy. Additionally, the Group received an insurance indemnity related to an incident in SEE division (EUR 1,6M).

32. Other operating expenses

Description	Dec.31, 2023	Dec.31, 2022
Taxes	3 807 815	2 540 899
Loss on disposal of assets	23 582	61 301
Exchange differences	-	250 714
Indemnities	1 382 020	1 110 530
Other	3 344 573	2 499 456
	8 557 990	6 462 901

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

33. Impairment

Description	Dec.31, 2023	Dec.31, 2022
Trade receivables (note 16)	289 708	631 817
Tangible assets (note 12)	-	1 965 814
Other	-	(58 613)
	289 708	2 539 018

34. Financial Results

Description	Dec.31, 2023	Dec.31, 2022
Interest on debts and borrowings	33 235 444	12 192 411
Discounts for early settlement	1 270 577	1 239 549
Other finance costs	520 104	167 476
Foreign exchange losses	-	2 028 931
Finance costs	35 026 125	15 628 366
Interest income	4 353 857	227 932
Other financial income	2 461 394	482 625
Foreign exchange gains	5 989 245	-
Finance income	12 804 676	710 557
Financial results	(22 221 448)	(14 917 810)

The variation of finance costs is primary due to the substantial rise in the Euribor index. Conversely, the interest income caption reflects the interest generated from a EUR 191M loan (note 19), which was fully repaid in 2023.

The other financial income is related to Anchor Glass. In 2021, the Group has sold the stake of 25% interest in the company Anchor Glass, 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 6.8 million in that year. In 2022 the company considered, as cost of the transaction (and deducted from selling price), the cost related to a potential liability incurred still under the period when the participation was held, for a total of EUR 2 million, which was the maximum liability and for which final amount could at 2022 year end not be determined as it was connected with the performance of Anchor Glass during the year 2022 which was not know yet and cannot be estimated with sufficient reliability. This liability was cancelled in 2023.

35. Income tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

Description	Dec.31, 2023	Dec.31, 2022
Current income tax		
Current income tax charge	105 297 843	32 174 475
Adjustments in respect of current income tax of previous year	(2 028 343)	(957 633)
Deferred tax		
Relating to origination and reversal temporary differences	(5 582 353)	3 462 210
Income tax expense reported in the statement of profit or loss	97 687 148	34 679 052
Deferred tax related to items recognized in OCI during in the year:		
Remeasurement (gain)/loss on actuarial gains and losses	-	-
Net (gain)/loss on cash flow hedges	42 586 833	(49 349 352)
Deferred tax charged to OCI	42 586 833	(49 349 352)

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

	2023		2022	
Tax jurisdiction	Nominal tax rate	Other additional rate	Nominal tax rate	Other additional rate
Portugal	21,0%	-	21,0%	1.5%-9%
Spain	25,0%	-	25,0%	-
Poland	19,0%	-	19,0%	-
Germany	15,0%	14,0%	15,0%	14%-17%
Greece	22,0%	-	24,0%	-
Bulgaria	10,0%	-	10,0%	-
Romania	16,0%	-	16,0%	-
Netherlands	19%-25,8%	-	15%-25%	-
Mexico	30,0%	-	-	-

Reconciliation of tax expense and the accounting profit multiplied by BA Glass B.V. domestic tax rate for 2023 and 2022:

Reconciliation of tax expense and the accounting profit:	Dec.31, 2023	Dec.31, 2022
Profit before tax	478 312 051	211 039 102
Nominal tax rate for the period	25,8%	25%
At statutory income tax rate (nominal)	123 404 509	52 759 775
Adjustments in respect of current income tax of previous years	(2 050 956)	(957 633)
Tax benefits	(6 486 337)	(3 084 090)
Effect tax rate different (subsidiaries)	(19 581 617)	(13 699 952)
Other	2 401 549	(339 048)
Income tax expense	97 687 148	34 679 052
Effective tax rate for the period	20,42%	16,43%

The nominal tax rate corresponds to the Dutch tax rate.

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 Bulgaria, Poland and Spain).

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

As at December 31, 2023 the amount related with corporate income tax payable presented in balance sheet is EUR 40.8M (2022: EUR 4.7M). The increase in income tax liability arises from the normal activity of the Group and it is mostly justified by BA Glass I (EUR 23,3M), BA Glass Poland (EUR 6M) and BA Glass Spain (EUR 5,4M).

As at December 31, 2023, the amount related with corporate income tax recoverable includes EUR 4.8M (2022: 4.8M) 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. Moreover, during the year an amount of EUR 0.6M was received.

Deferred tax

Description	Dec.31, 2023	Dec.31, 2022
Deferred tax assets		
Provisions for pensions	1 775 893	585 501
Allowance for bad debts	721 780	688 385
Tax depreciations	309 109	362 969
Goodwill	25 345	170 192
Tax revaluation of tangible fixed assets	988 678	1 754 030
Tax losses	1 252 947	1 630 430
Impairment inventories	4 443 735	1 278 472
Derivatives	1 251 263	-
Other	3 174 924	1 738 342
	13 943 673	8 208 322
Deferred tax liabilities		
Uniform depreciation criteria (adjustment of useful lives)	3 339 535	3 738 238
Derivatives	1 563 391	44 980 222
Fair value adjustments - land	8 805 651	7 942 092
Fair value adjustments - tangible assets	17 168 849	-
Fair value adjustments - intangible assets	34 311 873	2 502 692
Tax revaluation reserves of tangible assets	4 613 927	4 511 751
Other	4 064 039	3 561 852
	73 867 264	67 236 847
Net deferred tax assets/ (liabilities)	(59 923 591)	(59 028 525)

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 since 2018.

During the year ended 31 December 2023 and 2022, changes in deferred tax (net) were made up as follows:

	Dec.31, 2023	Dec.31, 2022
Reconciliation of deferred tax, net		
As at January 1	(59 028 525)	(6 216 963)
Deferred taxes acquired in business combinations (note 7)	(49 064 252)	-
Tax income/(expense) during the period recognized in profit or loss	5 582 353	(3 462 210)
Tax income/(expense) during the period recognized in OCI	42 586 833	(49 349 352)
As at December 31	(59 923 591)	(59 028 525)

There are no income tax consequences attached to the payment of dividends in either 2023 or 2022 by the Group to its shareholders.

36. Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS computations:

	Dec.31, 2023	Dec.31, 2022
Profit attributable to ordinary equity holders of the parent:		
Continuing operations	381 976 428	176 360 049
Discontinued operations	-	-
Profit attributable to ordinary equity holders of the parent for basic earnings	381 976 428	176 360 049
Weighted average number of ordinary shares	36 000	36 000
Earnings per share		
Basic	10 610 46	4 898 89
Diluted	10 610 46	4 898 89

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.

37. Post-retirement benefits

	Dec.31, 2023	Dec.31, 2022
Portugal	743 499	872 774
Greece	408 304	313 642
Bulgaria	1 067 219	1 057 497
Other	124 357	155 767
	2 343 378	2 399 679

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 have occurred.

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 December 31, 2023 and 2022 are summarized below:

	Dec.31, 2023	Dec.31, 2022
Current Service Cost	143 071	230 278
Interest cost on service obligation	72 957	13 765
Net benefit expense	216 028	244 042
Changes in present value of the defined benefit obligations:		
Defined benefit obligation as at January 1	2 399 680	3 624 906
Interest cost	72 957	13 765
Current service cost	143 071	230 278
Benefits paid	(272 532)	(536 045)
Settlement/Curtailment/Termination loss/(gain)	32 027	115 137
Actuarial changes arising from changes in demographic assumptions	11 222	(14 270)
Actuarial changes arising from changes in financial assumptions	(146 816)	(626 526)
Actuarial changes of experience adjustments	102 965	(359 782)
Exchange differences	12 516	4 090
Other	(11 713)	(42 801)
Defined benefit obligation as at December 31	2 343 378	2 399 680
Pension Cost Charge to profit and loss	216 028	244 042
Remeasurement gains/(losses) in OCI	32 629	1 000 577

A valuation methodology based on a “projected unit credit model” was determined by external parties and the following actuarial assumptions were used:

	2023			2022		
	Portugal	Greece	Bulgaria	Portugal	Greece	Bulgaria
Discount rate	4,03%	3,65%	4,5%	4,03%	3,25%	0,60%
Inflation rate	n.a.	2,25%	5,00%	n.a.	2,75%	5,00%
Pay increase	n.a.	2,25%	5,00%	n.a.	2,75%	5,00%

The Group does not have plan assets to pay or fund employee benefits.

38. Employee benefit expenses

	Dec.31, 2023	Dec.31, 2022
Salaries, wages and similar	106 723 497	90 806 295
Other employee benefits	31 979 903	27 381 721
	138 703 400	118 188 016

The average of Full Time Employee number of employees during 2023 was 4.967 (3.978 during 2022). This increase is mostly justified by the acquisition of Vidrio Formas.

The number of employees outside Netherlands was 4.963 (4 in Netherlands). In 2022, the number of employees outside Netherland was 3.974 (4 in Netherlands).

39. Related party transactions

Intercompany balances and transactions reported to the companies included in the consolidation perimeter, as referred in note 5, were eliminated for purposes of preparing the consolidated financial statements.

The key management personnel team comprises of 37 people who are based in different countries across Europe and Mexico where the group has operations. 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 around 80% of the total compensation.

40. 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.

40.1. 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.

The new rules defined by the European Commission will put in place more restrict rules for free allocations to companies under the European Trading Scheme and the group follows very closely all the developments to assess the impact in the future as well as the impact on the investment plan.

Several investments are being made in order to reduce the emissions of the group in line with the ESG goals of the group.

During 2023 and 2022 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 1.005,4k tons (2022: 1.006,1k tons).

40.2. 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 (2022: EUR 193 thousand).

40.3. 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.

In 2022 the subsidiary Minas de Valdecastillo was charged with an environmental fee (EUR 983.998) related to the contamination of waters during an accident at its sand mine. Additional controls and measures have been put in place to reduce the risk of such events happening in the future.

41. Commitments and contingencies

41.1. Bank guarantees

As at December 31, 2023, in connection to Group Loans, the Group provided a bank guarantee of EUR 18,7M (2022: EUR 32,3M) to European Investment Bank (“EIB”) as security. This loan is part of the debt of the group.

41.2. 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 4,7M (2022: 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..

As at the date of the financial statements there is a tax inspection open in the Spanish subsidiary for the periods 2018–2021 and in Bulgaria for the period of 2017–2018 and 2020–2021.

42. 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
 - Commodity price risks
- Credit risk
- Liquidity risk
- Other risks

The management of the above-mentioned risks – 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, Polish Zloty and Mexican Pesos all with variable interest rates and Pounds with fixed rate. 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 thousands	Increase/decrease in basis point	Impact in profit before taxes
EUR	100	6 742
PLN	100	274
MAX	100	1 332
EUR	(100)	(6 742)
PLN	(100)	(274)
MXN	(100)	(979)

Finance in EUR is indexed to Euribor for the different tenure/ maturity and indexes have had a significant increase during both 2022 and 2023 with the intervention of central banks to control the rising inflation.

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 mainly exposed, through the investments in subsidiaries, to the following currencies, - PLN, RON, Bulgarian Lev and Mexico Peso.

To quantify the sensitivity to currency risk, taking 2023 data, an average depreciation by PLN, RON and MXN currencies of 5% in a full year, ceteris paribus, would have no relevant impact in 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.

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 9.

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.

43. Structure of the members of the Board of directors

The board of directors is composed of 4 members:

- Rita Mestre Mira da Silva Domingues (Director A);
- Luis Manuel Pinheiro Mendes (Director A);
- Deni Tomasevic (Director B); and
- Intertrust (Netherlands) B.V. (Director B).

44. Fees paid to the statutory auditors

Audit fees are as follows:

Audit Services	2023	2022
Statutory audit services		
Iberia	123 972	124 361
Netherlands	47 400	46 000
Central Europe	55 415	54 500
Southeast	154 540	152 793
Total EY	381 327	377 654
Total Non-EY	24 000	22 000

Non-audit services provided by EY Network were in the amount of EUR 649.657 (2022: non-audit services were EUR 76.710) of which EUR 30k are related to tax.

45. 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.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group’s financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, 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; and
- 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.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 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.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group’s financial statements.

Lack of exchangeability - Amendments to IAS 12

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21).

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity’s objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

46. Events after the balance sheet date

The company has entered in a Share Purchase Agreement on November 28, 2023 where the terms and conditions for the acquisition of 100% of the assets related to the production of glass containers of Canpack group in Poland were defined and is expected to be close in 2024.

There are no additional events after the balance sheet date with impact on the operations of the company.

Independent auditor's report

To: the shareholders of BA Glass B.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of BA Glass B.V. based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of BA Glass B.V. as at 31 December 2023 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) 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 2023
- ▶ The following statements for the year then ended: the consolidated and standalone statement of profit or loss, the consolidated and standalone statements of comprehensive income, changes in equity and cash flows
- ▶ The notes comprising material accounting policy information 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. (the company) 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to Section Business Risks of the management report for management's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct and whistle blower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 4 - Significant accounting judgements, estimates and assumptions to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We considered among other things the company's revenue targets and their realization. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

We considered available information and made enquiries of relevant executives directors, legal, compliance, human resources and entity or regional directors.

The fraud risks we identified, enquiries and other available information did not lead to specific

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and have been informed by management that there was no correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Going concern in Note 2.1 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant 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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

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 for the management report and the other 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 substantially 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 management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding 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-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the 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. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company 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.

The board of directors is responsible for overseeing the company's financial reporting process.

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. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. 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
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ 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.

Communication

We communicate with the board of directors 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, 14 March 2024

Ernst & Young Accountants LLP

J. Lodewijks

ENVIRONMENTAL COMMITMENT
2023
DESTINATION
ENERGY EFFICIENCY
2050
CARBON NEUTRALITY



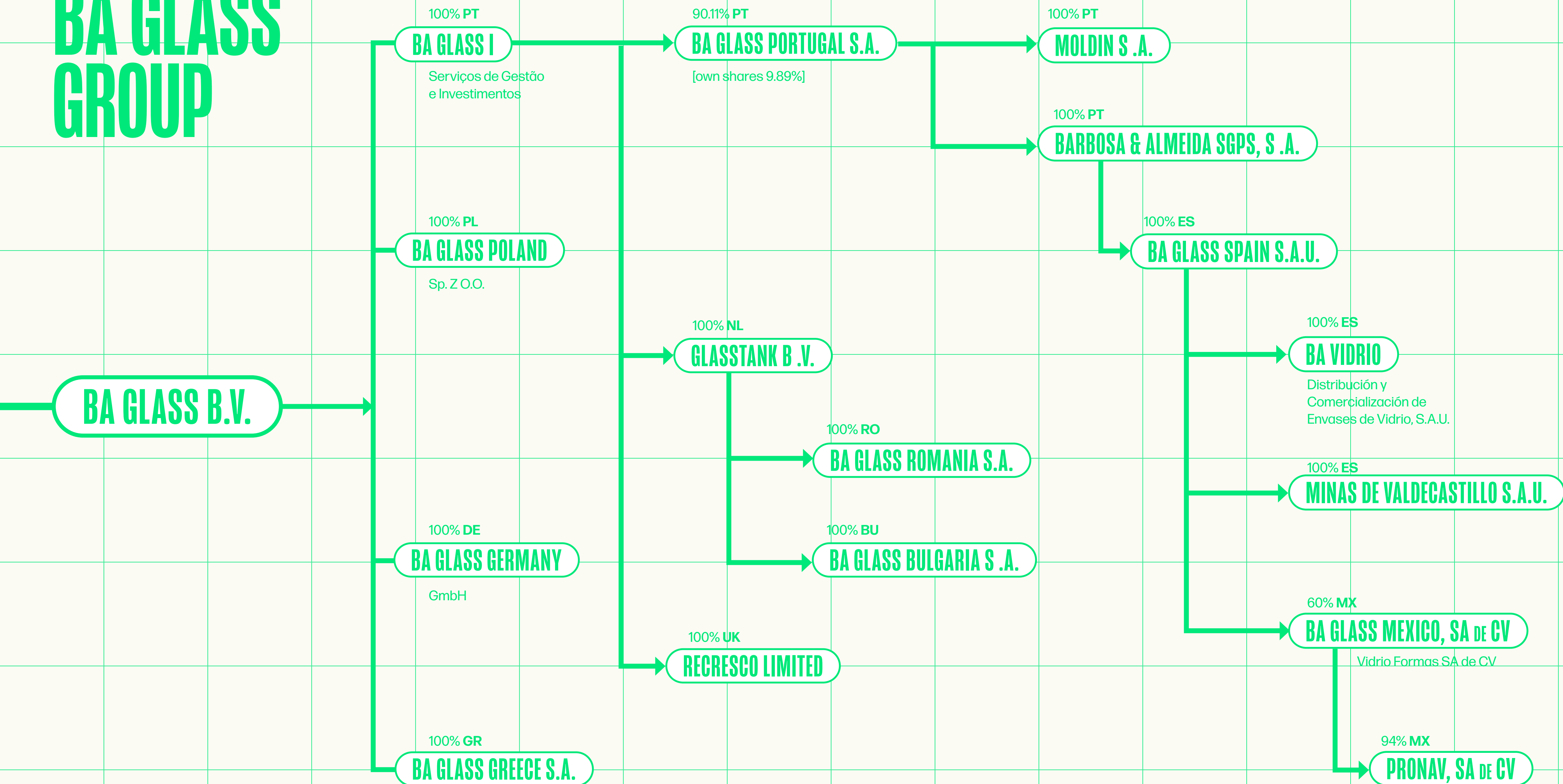
BA GLASS GROUP

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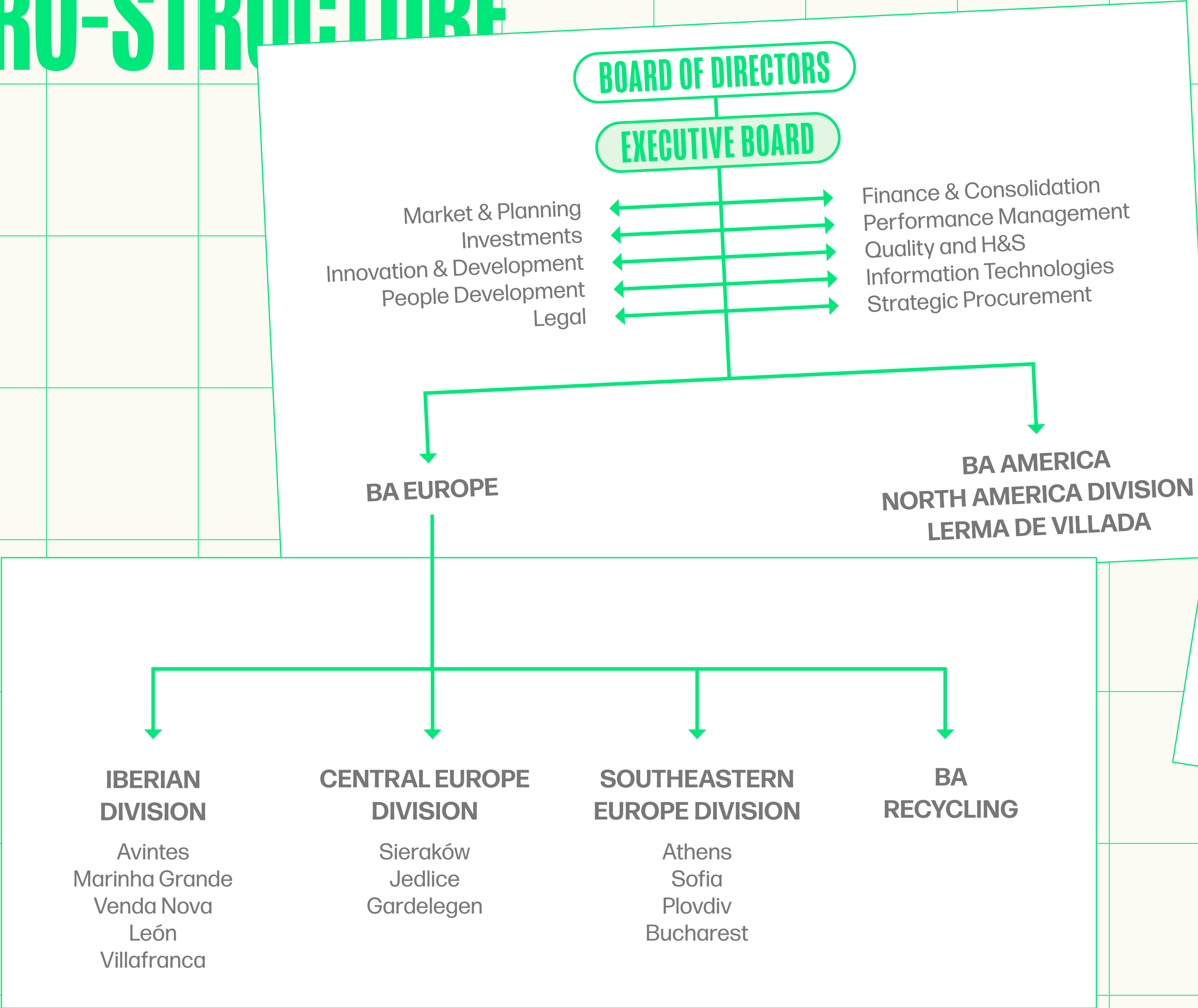
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BA



BA GROUP MACRO-STRUCTURE



BA GLASS B.V. SHAREHOLDERS		
	SHARES	% SHARE CAPITAL AND VOTING RIGHTS
Fim do Dia, SGPS, S.A. Company owned by the Board Members and Senior Executives of BA Glass	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%

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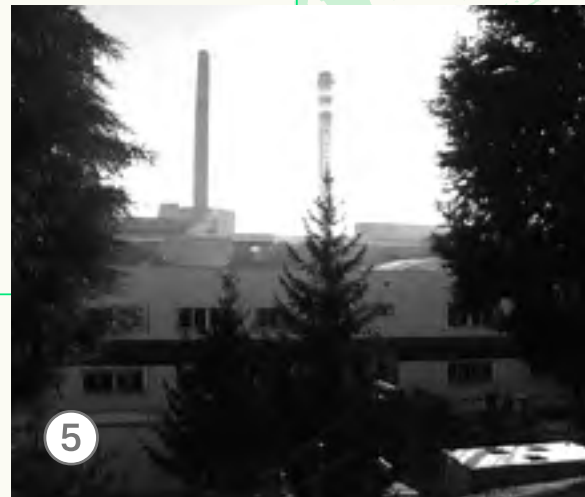
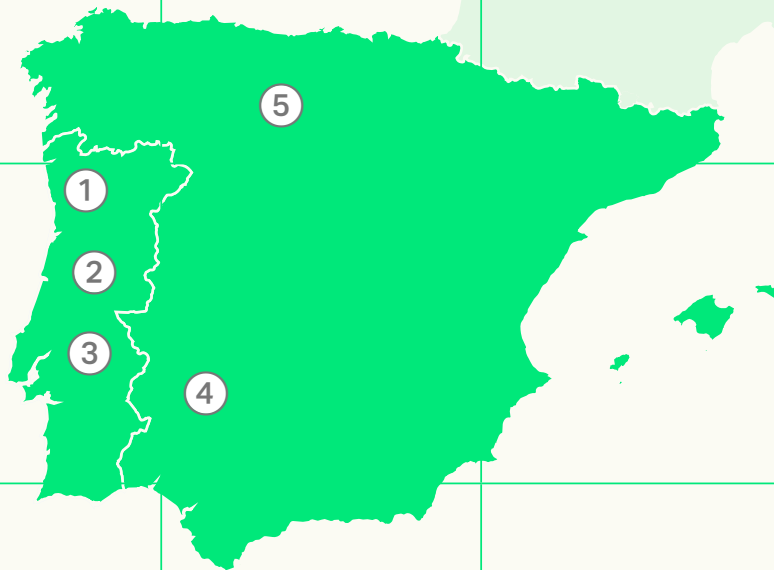


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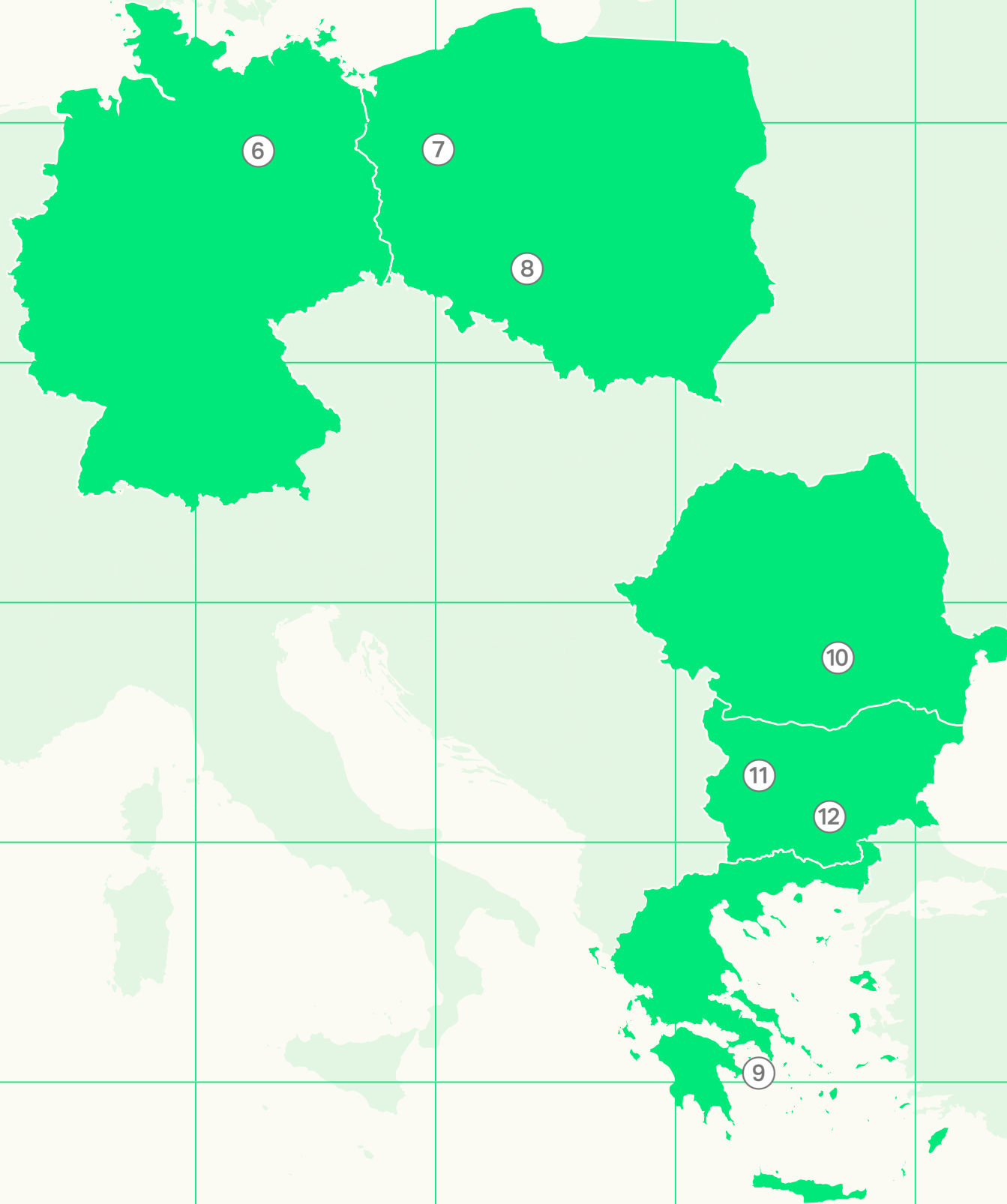
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All images in this report were created using artificial intelligence, reflecting our dedication to explore new possibilities, crossing new frontiers, and embracing a transformative era.

We will

**KEEP FACING
THE UNKNOWN...**



AMBITION

*New ways
of thinking*

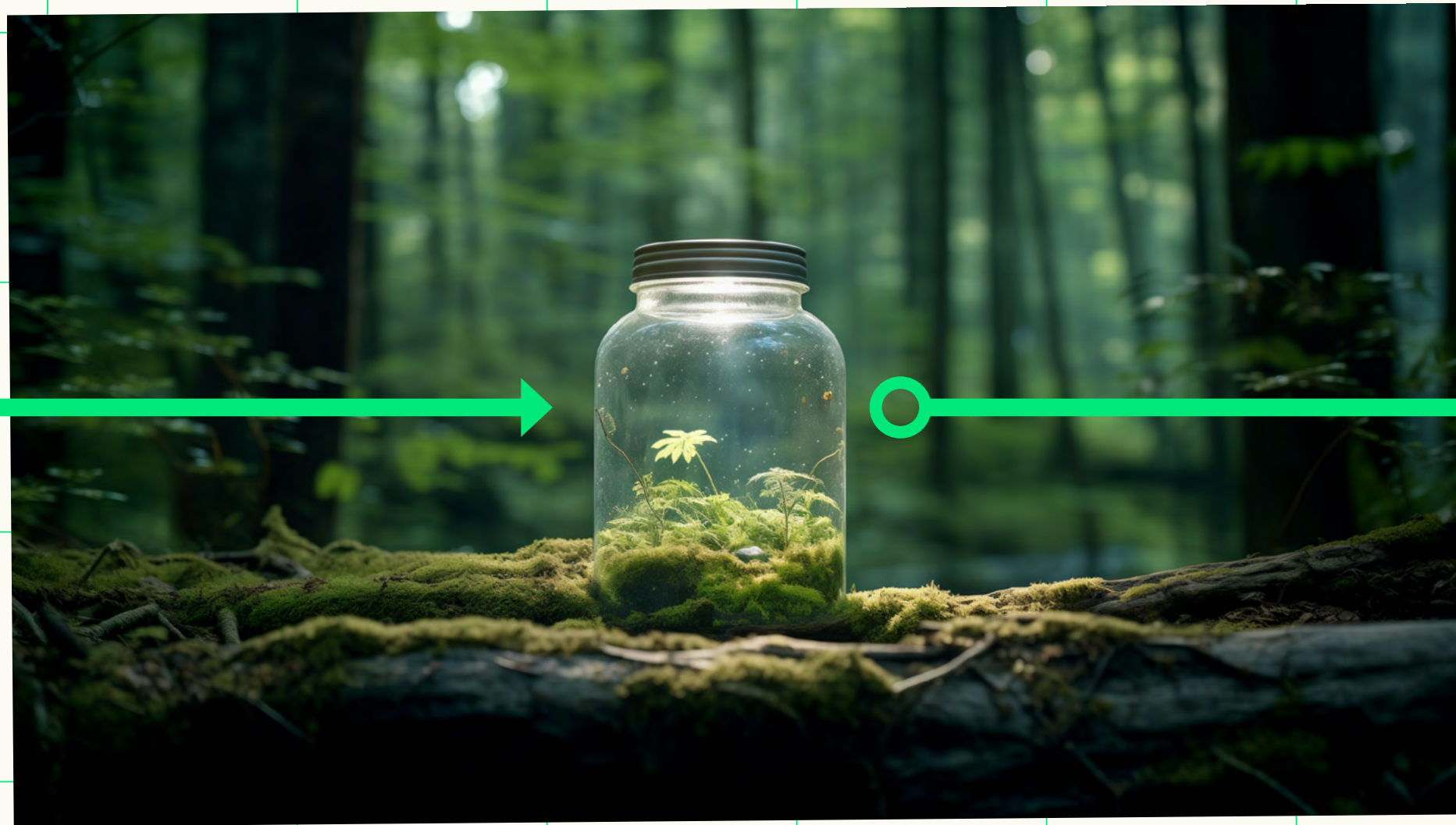
INNOVATION

*New ways
of working*

DREAMS

New places

**...AS FOR IT HOLDS THE
POTENTIAL FOR ENDLESS
POSSIBILITIES**



THE **BA** JOURNEY —

CARBON NEUTRALITY

