GLASS STANDS FOR

2020 Annual Report

When we stand for something
We are committed to it
In an irrevocable way.

When we are committed
We limit our freedom of action
We do not find excuses
And we turn words into actions.

When we do it
We believe in something greater than us
We believe our actions will have an impact
And we dedicate time and resources to deliver what we are committed to.

At BA, we stand for many things
We believe, we commit ourselves, and we support
Locally and worldwide, with a high or low impact.

We commit to our annual targets
We commit to our people's wellbeing
We commit to our customers' needs and projects
We commit to the consumers' health, desires, and dreams
We commit to environmental protection
We commit to social development
We commit to planet preservation.

We undoubtedly commit ourselves to Glass
Because we believe that...
GLASS STANDS FOR LIFE!

Sustainability Report

Management Report

MESSAGE FROM THE CHAIRMAN

To all stakeholders,

Looking at BA's 2020 financial results you would find scarce evidence of the dramatic events all of us experienced during the year and of the profound impacts on all industries including our sector.

The pandemic caused unheard of disruptions on our daily lives disarranging all routines and confounding many of our assumptions, beliefs and even certainties. These profound changes will doubtlessly have impacts that will last in time as well as consequences beyond those that are already plain to see. We have witnessed shutdowns all around us, and many activities and companies being pushed to the brink of insolvency. We also saw businesses breaking free from the previous reality and undergoing small or significant changes to adapt themselves to the new reality. BA Glass was very much in the second group, immediately tackling with full energy all the unexpected changes.

From the second quarter, the changes in consumer routines strongly impacted demand leading to the need for an unimaginable number of adaptations and adjustments in practically all of our production lines. Besides the dramatic negative and positive impacts in the customer segments we serve, there was also a large geographical difference in impacts, which also varied in time in a quick succession of unfolding events. All this had our teams on a full-time, daily reassessment and replanning mode. Their tremendous effort resulted in the Group being able to work at full capacity in all sites and production lines and slightly increasing turnover against 2019, reaching EUR 931 million of consolidated sales!

On the operational front, the good results are visible with EBITDA margin reaching 35,2%, showing a sustainable improvement in the performance and operational accomplishments in most of the plants, but also a favourable effect from the low energy prices during the first three quarters — this positive contribution unfortunately began to fade during the summer, has since fully reversed and is today on a very concerning trend. A new furnace investment was postponed, but the scheduled furnace rebuilds were all successfully executed, despite many necessary adjustments in the initial plans due to traveling restrictions on people and materials imposed by the pandemic scenario. The year ended with a significant improvement in the consolidated net income of 26.5% resulting in strong cash-flow generation and a particularly solid balance sheet at year end.

At our board meetings, we were proud to observe how the values of BA were very much present and alive, and it is our conviction, more than ever, that they have served as true guides for daily activities and decisions. Our teams met the new challenges in a remarkable way, ensuring the safety, the continuity, and the flexibility of the company's operations.

I am truly honoured to chair the board of a company that has such a formidable culture and attitude which has allowed us, once again, to tackle enormous challenges. It is difficult to pinpoint precisely what makes this team so special but it certainly includes an unusual combination of the humility to know that everything we do can be improved (and in all likelihood is already being done in a better way somewhere in the world) and the confidence and fierce resolve to look at all challenges straight in the eye, never downplaying their potential importance, knowing that, with the energy, creativity, experimentation, and perseverance we work with, we will come out of each fight in a better position.

The difficult, sometimes impossible, travel conditions did set us back in the key goal of growing also through acquisition. Our strong performance, strong liquidity and our track record of successfully integrating companies places in the ideal position of being able to create value for all stakeholders when we acquire companies. When we acquire a company, we immediately share our culture and our values — which naturally includes learning from all new colleagues — make our know-how available and look to invest in people and assets. The financial results are visible for everyone to see but beyond those, it is even more gratifying to hear from our teams in the acquired companies how their personal and professional lives have taken a turn for the better and how much they now feel a part of the BA Way. Our responsibility to deliver on this key goal is thus of the utmost importance.

The pandemic also highlighted and accelerated what we already knew: digitalization is and will be increasingly crucial to improve operations in a more demanding and uncertain world, and it is the key to keep the glass industry ahead. Ignoring or underestimating the potential of technology to contribute to creating new solutions to old problems will condemn the less prepared. Industrial digitalization continues at full speed providing better working conditions, better productivity and implementation of new digital tools is providing and delivering faster and more accurate market and consumer information. The most striking evidence of the revolutionary nature of the digital, data and AI transformation we are undergoing, is that we are finding solutions for problems or opportunities we did not know we had, and were therefore, not looking to solve.

Perhaps of even greater impact in the year was the step change in our collective consciousness of the impact of human actions on Nature. We could not have had a greater reminder of how fragile we are, and of how critical our actions today are, to assure the future of the next generations. We know the glass industry has the best packaging material – a beautiful material, a time-honoured human tradition, non-polluting, inert and non-contaminating which is infinitely recyclable. But we are also well aware that the energy intensive nature of our production process gives us the responsibility to rapidly decrease CO_2 emissions and be at the forefront of the energy transition away from fossil fuels.

We are proud to report that we have once again reduced the intensity of our carbon emissions per ton of glass by 19% and approved projects to increase our photovoltaic installed capacity by 57%. In 2020 we have also joined forces with like-minded glass packaging companies to jointly invest in the first hybrid oxygen fired furnace project.

Besides the setting of ambitious internal environmental KPIs, and the public commitments shared in the Porto Protocol, BA decided to reinforce the public commitment to the environment by becoming a member of the Science-Based Targets Initiative and is working to establish science-based emissions reduction targets that guarantee we do at least our fair share in attaining Europe's climate goals.

Furthermore, BA Glass shareholders decided to reinforce funding allocated to support R&D activities and investment in CO_2 capture projects, highlighting the commitment to make a difference in the fight against climate change. The amount dedicated this year will be 7.5 million euros.

A new social responsibility project was launched – the BA Glass Seeds - to support educational projects for the younger generations. Based on four major pillars, “Foundations, Work, Future, and Planet,” the Group hopes to develop leaders and citizens for a more sustainable future.

I am also pleased to report that our shareholders have recognized the exceptional results achieved at many of our group companies and decided to distribute profits to the employees of those companies in the amount of 8.5 million Euro, according to specific criteria.

We are grateful to all consumers for having chosen glass, and to all our customers for trusting that BA can continue to supply and support all their demanding needs.

Finally, I would like to thank all my board colleagues, all the members of all other statutory boards, our suppliers and partners for their dedicated work and valuable insights. I am especially grateful to every single employee who came to work every day, when half the world around us was locked at home, trusting us to implement the required safety measures, and allowing for our uninterrupted supply to all customers including many manufacturing and distributing products that were particularly critical to ensure to society during the lockdown.

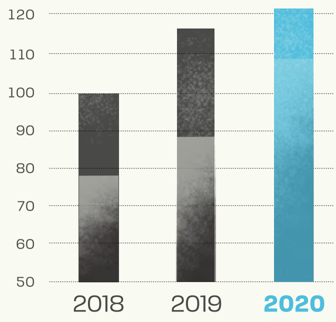
CONSOLIDATED KEY FIGURES

K. €	2020	2019
TURNOVER	930 718	923 016
OPERATING PROFIT (EBIT)	236 111	213 167
FINANCIAL RESULTS	-14 603	-21 734
NET INCOME	183 518	144 994
CASH FLOW	275 465	234 990
OPERATING CASH FLOW (EBITDA)	328 058	303 163

K. €		
NET ASSETS	1 532 348	1 474 058
EQUITY	716 986	604 231
NET DEBT	401 191	532 928
NET TANGIBLE FIXED ASSET TURNOVER	1.59	1.62
NET DEBT / EBITDA	1.22	1.76
INTEREST COVER RATIO	28.8	18.8
EBITDA / SALES	35.2%	32.8%
EBIT / SALES	25.4%	23.1%
NUMBER OF EMPLOYEES (FTE)	3 992	4 124
SALES/EMPLOYEE (FTE)	233.1	223.8

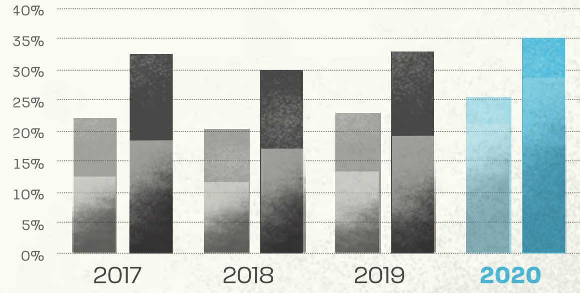
SALES PER CAPITA

Base 100 = 2018

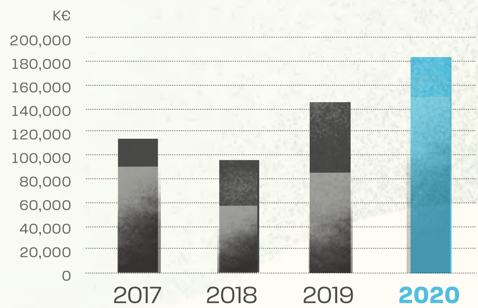


SINCE 2018 WE START USING THE **FTE MEASURE** INSTEAD OF INTERNAL EMPLOYEE.

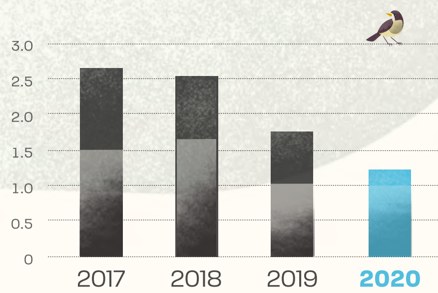
EBIT/ SALES AND EBITDA / SALES (%)



CONSOLIDATED NET INCOME



NET DEBT / EBITDA



INTRODUCTION

"SINCE THE BEGINNING OF THE PANDEMIC, WE WERE GUIDED BY SIMPLE GOALS"

To the Shareholders,
We hereby present the 2020 Annual Report and Consolidated Accounts.

2020, a unique year! It will be written in the history books. We could have foreseen it if we had listened to some scientists' warnings. We could have planned it, just as we plan many other contingencies, but we could never have dreamed of how a pandemic would change our personal and professional lives! The year had begun on a very positive note since world economies were booming again. We were all preparing ourselves and our businesses for another cycle of growth. And then…

It was a moment of truth for all of us, individually and collectively. As in all crises, and particularly in this one as human health was and is at stake, many tragedies and difficulties had to be managed. The remarkable capacity of human beings to reinvent their way of living and doing business became very obvious. The moment had come for impossibilities to be converted into realities.

From one day to the other, we had to deal with extensive virus contamination. We stopped travelling, many had to work from home, we had to wear masks, we cleaned surfaces and disinfected our hands as never before. We had to overcome constraints for which we were not prepared. We don't know how it will all end, but we must admit that collaboration and partnerships were fundamental, and collective engagement was the key to success.

All businesses had to adapt their offers to the market and their way of working, including us, at BA. Since the beginning of the pandemic, we were guided by simple goals: protect our people and their families, continue to serve our customers without any disruption, preserve the food supply chain, and ensure the continuity of our business.

At that moment, our mission was too clear – we had to embrace a joint goal and be a team inside the whole Group. We all were fighting for the same something, above any individual interests. We were supported by our partners, customers, and suppliers, and we supported them in return. Without them, we would not have been able to accomplish what we did in 2020. Throughout the year, the biggest difficulties were overcome, opportunities were created, and relationships were strengthened based on trust and common values.

Once again, our diversification market strategy protected our business, and more than ever before, an extensive portfolio of products and customers allowed us to fill all our production lines during the year. BA's strong balance sheet allowed us to make quick decisions.

The complexity of our operations increased because we had to deal with the market uncertainty and the need to produce for new customers and markets. Again, the exports, outside and across Europe, were essential to mitigate the sudden decrease in demand from our domestic markets, especially in the beverage, segments which are much more dependent on the on-trade channel. The cost control discipline, the continued restructuring of our organisation, and the leveraging of investments made in the last few years mitigated part of those inefficiencies, and the Group's performance was, in the end, quite remarkable.

We had to postpone the start-up of a new furnace in this uncertain context of scarce demand. However, and again, we invested more than 10% of our sales value in the modernisation of our industrial platform and the acquisition and implementation of sustainable technologies.

With the arrival of the pandemic, if there had been any doubts about the importance and the role of digitalisation, they were totally dissipated. We continued to dedicate our resources to the spread of digitalisation in our internal activities, often partnering with other companies and people that supported and challenged us to set a new way of working and serving the market.

At BA, we started 2021 more conscious about the market challenges, but we are now stronger and more prepared for the challenges that lie ahead. We cannot expect a fantastic 2021. The demand for glass packaging will continue to be constrained by the effect of the COVID-19 containment measures across countries, and the on-trade channel will take time to recover the dynamism of pre-pandemic times. Market prices are under strong pressure, with strong negative consequences on the results of an industry, which must continue to invest in the modernisation of its production facilities and the compliance of strict environmental norms, as well as continue to deal with inefficiencies in the context of energy prices a lot less favourable than in 2020.

The glass industry faces continuous challenges regarding the reduction of waste and gas emissions, carbon footprint targets, talent attraction, and competition from other materials, among many others. But, as expected in any crisis, the COVID-19 outbreak did not prevent, in fact, it even accelerated signs of progress on topics such as sustainability, digitalisation, health protection, and human wellbeing. And, despite last year's unfavourable context, at BA we continued to develop projects we had on hand, addressing crucial subjects. In some cases, we even reinforced the implementation of these projects with additional resources and new skills.

Human health and all related topics are on the top of the agenda of many governments across the world. Food producers are encouraged by retailers to disclose their nutritional scores. From disease prevention to the increase in nutritional content, their challenges have not become easier since the pandemic has increased the awareness and concerns about the health of human beings.

Besides, the reduction of air emissions and global waste are not new problems. However, the wide-scale disruption caused by the COVID-19 pandemic and the public health crisis has brought a new meaning to sustainability for investors, business leaders and consumers around the world.

At BA, we maintain environmental protection as a key priority. Our shareholders decided to increase the environmental fund created last year, which supports CO_2 capture and reuse initiatives, including R&D, applying to it EURO 7.5 million of the Group's results.

We are involved in several projects that will make glass the most sustainable and healthy packaging material on our planet. We seek carbon neutrality, and, at the beginning of the year, we committed ourselves to the Science-Based Targets Initiative (SBTi), taking a step further in our commitment to the planet after the signing of "The Porto Protocol" in 2018.

In 2020, we measured our carbon footprint in all its 3 scopes to prepare the BA roadmap towards a carbon-neutral activity. In 2021, we will set targets under the SBTi framework. We are building knowledge about our role and the impact of our activity on the decarbonisation of all food supply chain.

We have been investing in clean energy and have a medium-term plan to cover the roofs of our plants and warehouses with solar panels. At the end of the programme, we expect to be reducing the annual CO_2 emissions by more than 25,000 tons. And, from 2019 until now, we have signed green loan contracts with our banks worth EUR 408 million, thus committing ourselves to reduce water usage and CO_2 emissions.

We will continue to invest in sustainable technologies, some of which are still proofs of concept or R&D. In some initiatives, we will fail, but from others, we will acquire the knowledge and the progress we are looking for. Glass packaging industry players, for the first time, have joined forces, to develop a new melting technology that aims to reduce the industry's carbon footprint by 60% as regards direct emissions. It will be a remarkable moment when our industry will be able to use greener energy in the production process, something which also happened in the past when fuel was converted into natural gas.

The regulatory pressure on our industry is becoming much more challenging, and consumers are forcing brands to adopt more eco-friendly products and packages. We have the privilege to produce a packaging material that also stands for health, a growing concern among consumers and their families. It is not always the most convenient packaging, but it is the healthiest. It is also the material that stands for waste reduction since it is 100% recyclable and reusable. We see opportunities where many only see difficulties.

At BA, we do what we know best: we stand for our people, our customers, and our partners. And we do it with the conviction that there is no other way!

Looking back, it is difficult to describe the level of commitment, respect for others, and collaboration among people and across countries, factories and departments. We all stood for something that was far more important than us, with a visible sense of ownership!

At BA, we never give up! Because we are committed. And, like the Glass we produce, we stand for your Life!

2020 Sustainability Report

GET TO KNOW US

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

12
PLANTS

7
COUNTRIES

SALES IN
+70
COUNTRIES

+2,300
K TONS YEAR

+ 100 YEARS
OF HISTORY

3,992
PEOPLE
(FTE)

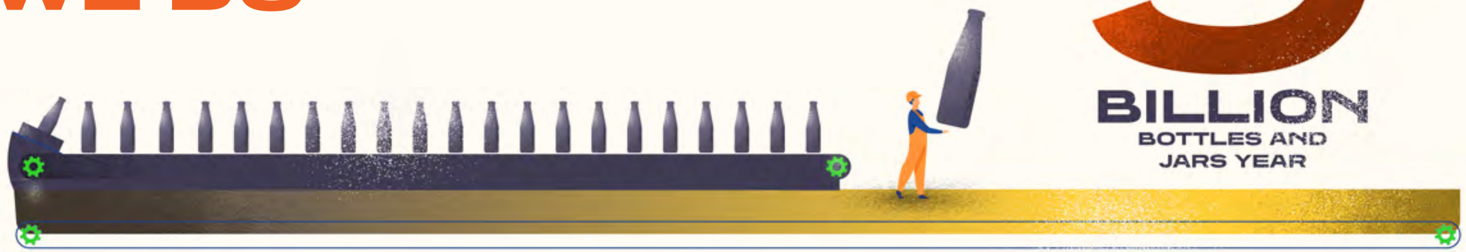
930.7 M€
SALES

EBIT
25.4%

EBITDA
35.2%

OF SALES

WHAT WE DO



MORE THAN **9 BILLION** BOTTLES AND JARS YEAR

SALES BY SEGMENT

11%

25%

37%

11%

16%

GLASS IS...

... the only infinitely recyclable material.

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

... Ensures zero contamination of its contents.

GLASS ALSO "PRESERVES" FUN, CONVERSATIONS, TRUE LOVE, EMOTIONS, EXCITEMENT AND FRIENDSHIPS!

WHO WE ARE

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

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.

WHO WE ARE

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

GROUP BOARD OF DIRECTORS

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

EXECUTIVE BOARD

Sandra Maria Santos (CHAIRMAN)	Iva Rodrigues Dias	Reinaldo Coelho
Abelardo Lopez	Javier Teniente (MD SOUTHEAST EUROPE)	Sofia Moreira Alves
Filip Drofiak (MD CENTRAL EUROPE)	Luis Mendes	Tiago Moreira da Silva (MD IBERIA)

EXECUTIVES

Alberto Araũjo Soares	Georgios Arkoudis	Paula Marinho
Ana Cristina Gonçalves	Isabel Monteiro	Paulo Sá
Antõnio Magalhães	Jakub Kaczmarek	Pedro Belo
Antõnio Sá Couto	Joana Osõrio	Rafael Corzo
Bruno Lopes	Luís Cardoso	Rui Guimarães
Christodoulos Tsilopoulos	Marcin Kochanski	Rui Matos
Dimitrios Dentsas	Nikolaos Christodoulou	Tomasz Karpiewski
Dimitrios Papadopoulos	Oliver Meuter	Venancio Roales

Board Nomination and Remuneration Committee

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

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

Board Audit and Finance Committee

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

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

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

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

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

The BAFC meets at least 5 times a year.

HOW WE DO IT

9 Culltet Treatment

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

8 Recycling

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

7 Consumers

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

1 Glass Composition

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

This process uses, on average, 36% recyclable glass, which our cullet treatment plants have handled, thus guaranteeing a more sustainable approach.

2 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 "tuning" stage. At this stage, thermal homogeneity of the entire melted mass has to be assured, as this is of crucial importance in obtaining a quality product.

3 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 (pre-form). In the second stage, the pre-form is transferred into a final mould located on the opposite side of the machine, where it acquires the product final shape.

4 Annealing and Surface Treatment

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

5 Inspection and Quality Control

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

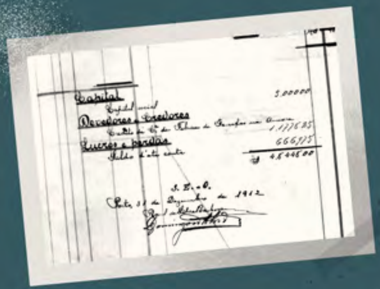
6 Packaging

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

WHERE WE ARE

12 plants across Europe

OVER 100 YEARS OF HISTORY



1912
INCORPORATION
OF **BARBOSA & ALMEIDA**

1947
INTRODUCTION OF
AUTOMATIC TECHNOLOGY

1969
START OF OPERATION AT
THE **AVINTES** INDUSTRIAL UNIT

1993
ACQUISITION OF **CIVE**

1998
START OF OPERATION AT **VILLAFRANCA DE LOS BARROS** INDUSTRIAL UNIT

1999
ACQUISITION OF
VIDRIERA LEONESA

2008
ACQUISITION
OF **SOTANCRO**

2012
ACQUISITION
OF **WARTA**

2016
ACQUISITION
OF **HNG GLOBAL**

ACQUISITION OF
25% **ANCHOR GLASS**

2017
ACQUISITION
OF **YIOULA**

BA STRIVES FOR SUSTAINABILITY

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

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

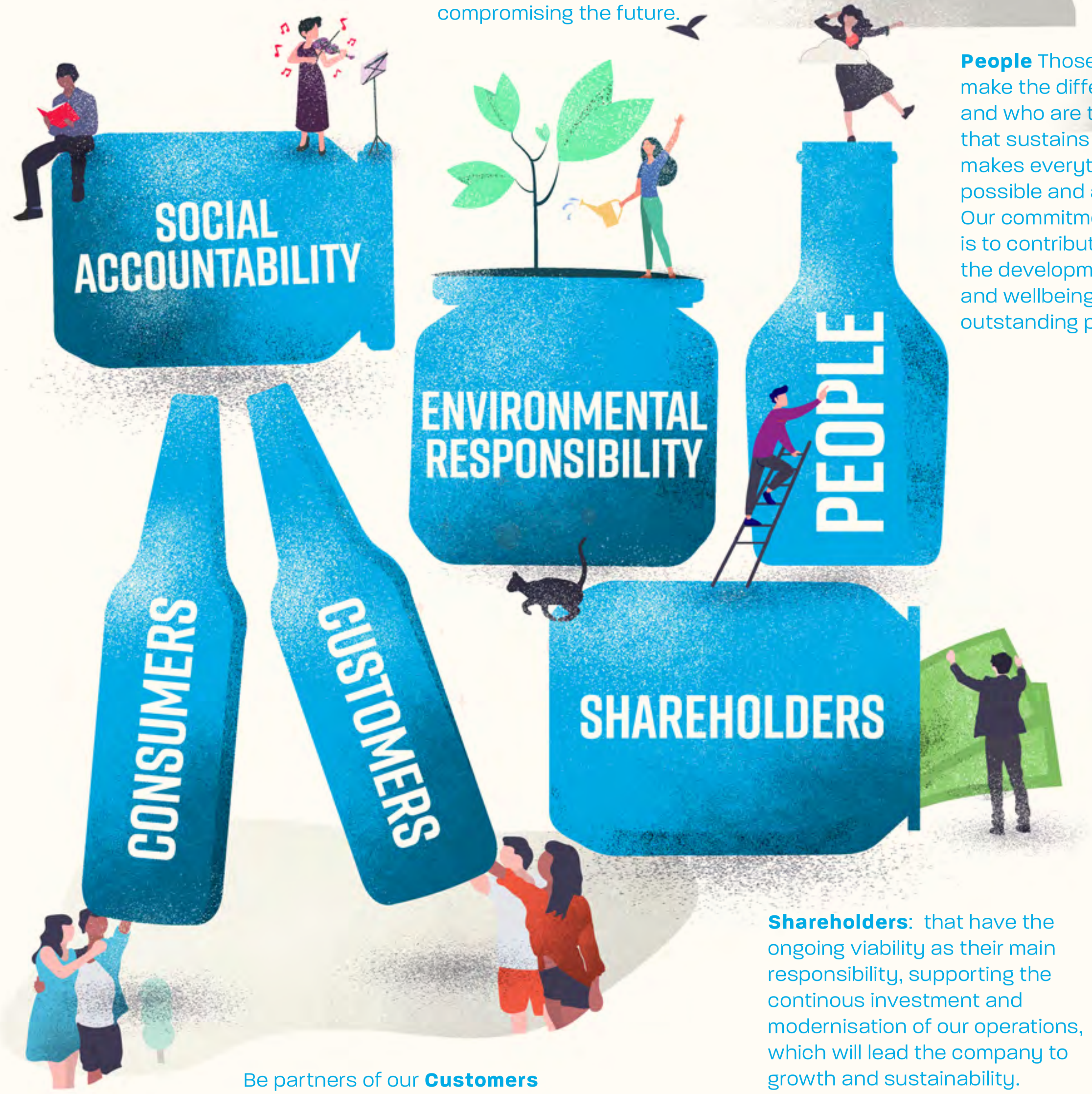
It is People who makes the difference and who is the basis that sustains and makes everything possible and achievable. Our commitment is to provide for the development and wellbeing of our people.

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

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

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

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



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

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

AWARD

In 2020, BA won "**The most Sustainable Company in the Glass Industry**" award, attributed by the **World Finance Sustainability Awards 2020**.

https://www.worldfinance.com/awards/sustainability-awards-2020

We are very proud to be recognized for our work towards a sustainable future, applying important reduction and mitigation measures, analyzing their impact, and seeking continuous improvement. We believe that the human being is skilled enough to change the way of doing things by being creative, persistent, and resilient in his search for solutions. We know that we are part of the problem and the solution . It is a pleasure to be recognized as an exemplary organization that continually strives to be greener! BA's improvements to reduce environmental impact is evidence of our commitment to sustainability.

ENVIRONMENTAL SUSTAINABILITY

BA Glass reported its environmental performance for the first time in 2001, thus acknowledging the impact of its activity on the environment and the Planet's health.

In the last few years, we have seen many companies including in their strategy the environmental impact of their activities, whilst setting ambitious targets to reduce it. At BA, we are also doing so. Preservation and respect for the environment as well as pollution reduction, are concerns which BA incorporates in its business strategy.

In 2016, we set out a new Vision for the company – "Wrap dreams beyond packaging" – and we defined growth targets which aim to reduce our impact on the environment alongside our growth.

In 2018, we made public our commitment to environmental protection and the reduction in the usage of natural resources. At "The Porto Protocol" we committed ourselves to, by 2030:

- Use a minimum of 70% of electricity from renewable sources;
- Reduce the usage of natural gas by 10%, replacing it with electricity;
- Reduce the usage of water by 75% to at most 0.1 m^3/ton;
- Increase the usage of cullet by at least the same percentage as the collection systems are able to achieve;
- Reduce CO_2 emissions to at least the EU's target levels;
- Work together with our customers and suppliers to reduce the amount of packaging in our final products;
- Publish the annual values of these variables on "The Porto Protocol" website and BA Glass' website.

KPI	2019	2020
Electricity from renewable sources (% total electricity)	34.4%	**54.6%**
Natural gas share in our energy consumption (%)	79.6%	**79.9%**
Water consumption (m^3)/ Ton Produced	0.424	**0.415**
Cullet usage rate (% by melted tons)	36.0%	**36.9%**
CO_2 emission (tons)/ Ton Produced	0.413	**0.405**
Plastic (Kg) consumed /Ton Produced	2.96	**2.96**
Cardboard (units) used / Ton Produced	6.89	**6.66**

Reduce CO_2 emissions to at least the EU's target levels!

In 2019, we decided to measure our carbon footprint in all three scopes (scope 1, 2, and 3). A baseline for more ambitious CO_2 reduction targets was set with the aim of achieving the targets defined by the Paris Agreement and become carbon neutral.

The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. It is a universal, legally binding global climate change agreement, adopted at the Paris climate conference in December 2015. Every industry must commit to a carbon footprint reduction plan, demonstrating efforts to reduce their impact on climate change.

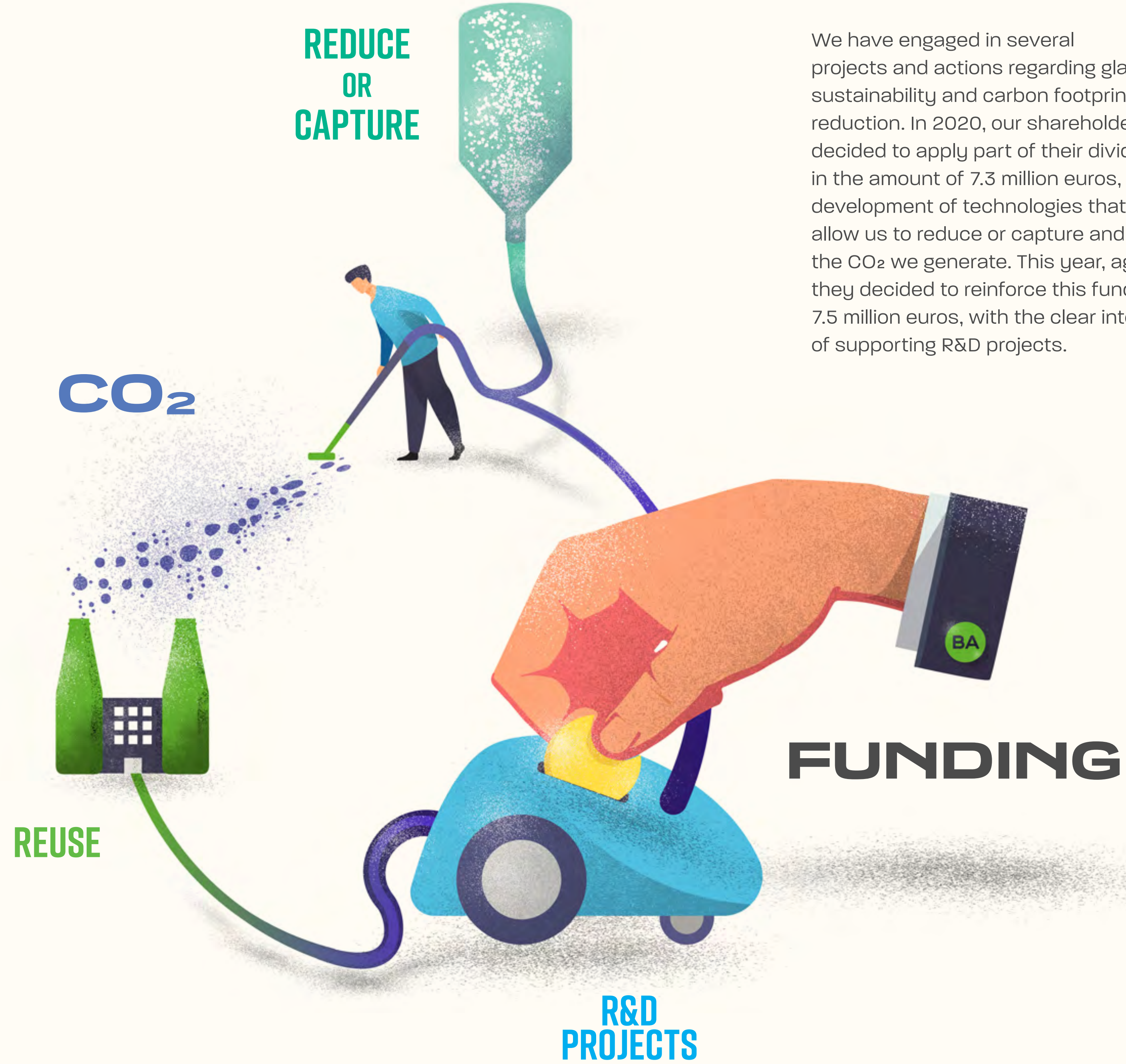
Our direct emissions (scope 1) are a significant burden to a simple benchmark against other packaging materials, as the amount of glass (material) in each bottle or jar is much higher than the material used for cans or PET.

Our customers have been demonstrating an increased interest in getting to know our plan to reduce the carbon footprint of our bottles and jars since it is also an important part of their carbon footprint, scope 3.

In the last 20 years, the reduction in CO_2 emissions has been quite remarkable. Firstly, due to the introduction of natural gas into the furnaces, and later due to the development of innovative furnace technology, among others.

In 2020, BA was able to reduce direct CO_2 emissions per ton of glass produced by 1.9%, from 0.413 to 0.405 tons of CO_2.

During 2020, total CO_2 emissions (scope 1 and 2), stood at 1.16 million tons of CO_2, 7.3% down in absolute terms, and 9.6% down per ton of glass produced, when compared with 2019.



We have engaged in several projects and actions regarding glass sustainability and carbon footprint reduction. In 2020, our shareholders decided to apply part of their dividends, in the amount of 7.3 million euros, to the development of technologies that will allow us to reduce or capture and reuse the CO_2 we generate. This year, again, they decided to reinforce this fund with 7.5 million euros, with the clear intention of supporting R&D projects.

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

At the beginning of 2021, we joined the Science-Based Targets initiative (SBTi), an organization that drives companies to establish ambitious science-based emissions reduction targets. We are now developing a roadmap which will enable us to reduce our carbon footprint significantly.

The ambition of becoming carbon neutral requires that several technological disruptions take place in our whole industry. BA is a member of FEVE (European Glass Container Association), which members have joined efforts to develop the F4F (Furnace for the Future), a breakthrough technology that will allow us to switch from natural gas to renewable electricity and drastically reduce CO_2 emissions.

We all acknowledge that these developments will increase our production costs in the first few years, but we continue to believe that they will decrease as soon as the technology progress in its development, and reach a higher scale.

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

Increase the use of cullet by at least the same % as the collection systems are able to achieve.

Soda ash, a raw material that generates CO_2 when melted, is the second-largest source of CO_2 emissions. The glass industry has been trying to replace the use of soda ash with recycled glass for many years. Apart from its quality and availability, there are no significant limitations to the use of recycled glass. The progress achieved as regards glass collection and recycling has also been remarkable. We have witnessed a growth in the amount of recycled content used in the glass packaging industry to levels above 60%, in some colours of glass, one of the highest amongst all packaging materials. However, in some European countries, there is still room for improvement as regards the rates of glass collection and recycling. It is fundamental that effective systems be implemented in order to achieve a truly circular economy.

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

A material is infinitely recyclable when it can be recovered and reused continuously without any physical and economical loss. Glass is a permanent material, as it preserves its original characteristics when recycled for infinitive times in a close loop, not causing any harm to the consumers' health. This means that it is possible to collect and sort it under specific conditions to be incorporated in a product with a similar value. Each glass bottle can be transformed into another bottle with the same value. For each ton of glass that is recycled, 0.23 tons of CO_2 emissions are avoided.

Acknowledging their role, national and European glass associations are continuously developing projects and implementing actions to increase the collection rate of glass. FEVE members are committed to reaching a collection rate of 90% by 2030, up from the current 76%, promoting a joint force with municipalities and recyclers in the ‘Close the Glass Loop’ which is a collaborative, public-private partnership that promotes glass recycling. It brings together all stakeholders along the glass packaging value chain, from the producer to the brand owner and the filler, past the consumer and glass treater, through to the Extended Producer Responsibility and Waste Management Schemes, as well as collectors and municipalities. Working together, these participants will exchange knowledge and best practices in the collection, sorting and treatment systems and devise better strategies to increase the quantity and quality of available recyclable glass. The “Close the Glass Loop” initiative relies on a decentralised structure, a national governance structure recycling plan, to design and drive the implementation of National action plans alongside a European platform that coordinates the project.

IN 2020 WE USED **620,000 TONS** OF RECYCLED GLASS FROM POST-CONSUMPTION

IN 2020 WE PRODUCED **620,000 TONS** OF NEW BOTTLES AND JARS, FROM RECYCLED GLASS

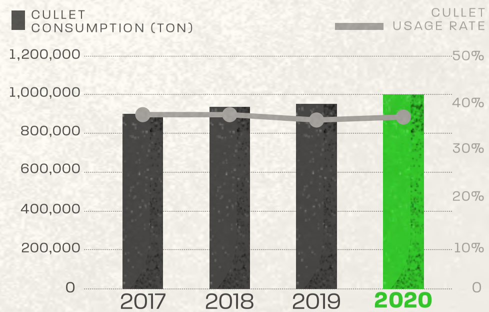
The Packaging and Packaging Waste Directive is under review by the European Parliament. All materials will have to achieve higher recycling rates, and glass is well-positioned to do so, given the 90% self-targeted by the industry.

In 2020, BA used 620,000 tons of post-consumer recycled glass in the production of jars and bottles, 6% more than in 2019.

BA uses recycled glass (cullet) generated in its own production process, as well as, in the Horeca channel, and domestic post-consumption waste. Some countries, like Portugal and Bulgaria, import cullet since the glass packaging production is higher than its consumption.

To guarantee that the recycled glass used as raw material is of high quality, BA has made significant investments in the best available technologies for its two cullet treatment facilities. Here, used glass is cleaned and transformed into an extremely high-quality raw material. Each year, over 400,000 tons of waste are saved from being deposited in landfills and, instead, are cleaned and treated in our recycling facilities. The possibility of separate colourless glass from coloured glass allows the usage of recycled glass in the production of colourless bottles and jars.

CULLET CONSUMPTION AND CULLET USAGE RATE



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

Reducing the weight of our bottles and jars is one of our environmental goals. Designing lighter products has a clear impact on their carbon footprint. Last year, we saved over 8,400 tons of CO_2 from being emitted, thanks to our lightweight products (Scope 1 and 2). This figure is even higher if we take into account all the savings across the supply chain process.

In the last 4 years, the beer and food segments were the most significant as regards lightweight projects. An average weight reduction of 13% was achieved.

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

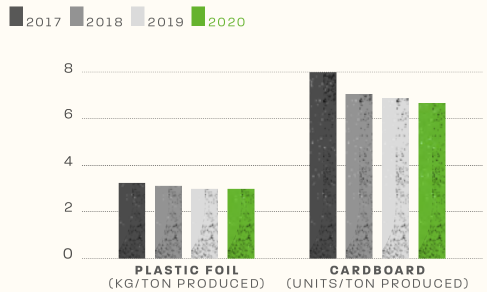
The close relationships established with our customers and our deep understanding of their needs, namely regarding the storage conditions and packaging requirements that suit their filling lines, in some cases, have allowed us to optimize packaging solutions. On the other hand, the investments done in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

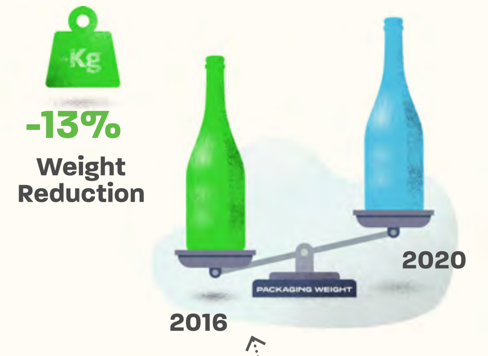
The close cooperation with our suppliers has been very important in finding the best materials for the required packaging solutions. And the replacement of layers of cardboard with returnable and reusable layers is an option that reduces waste generation.

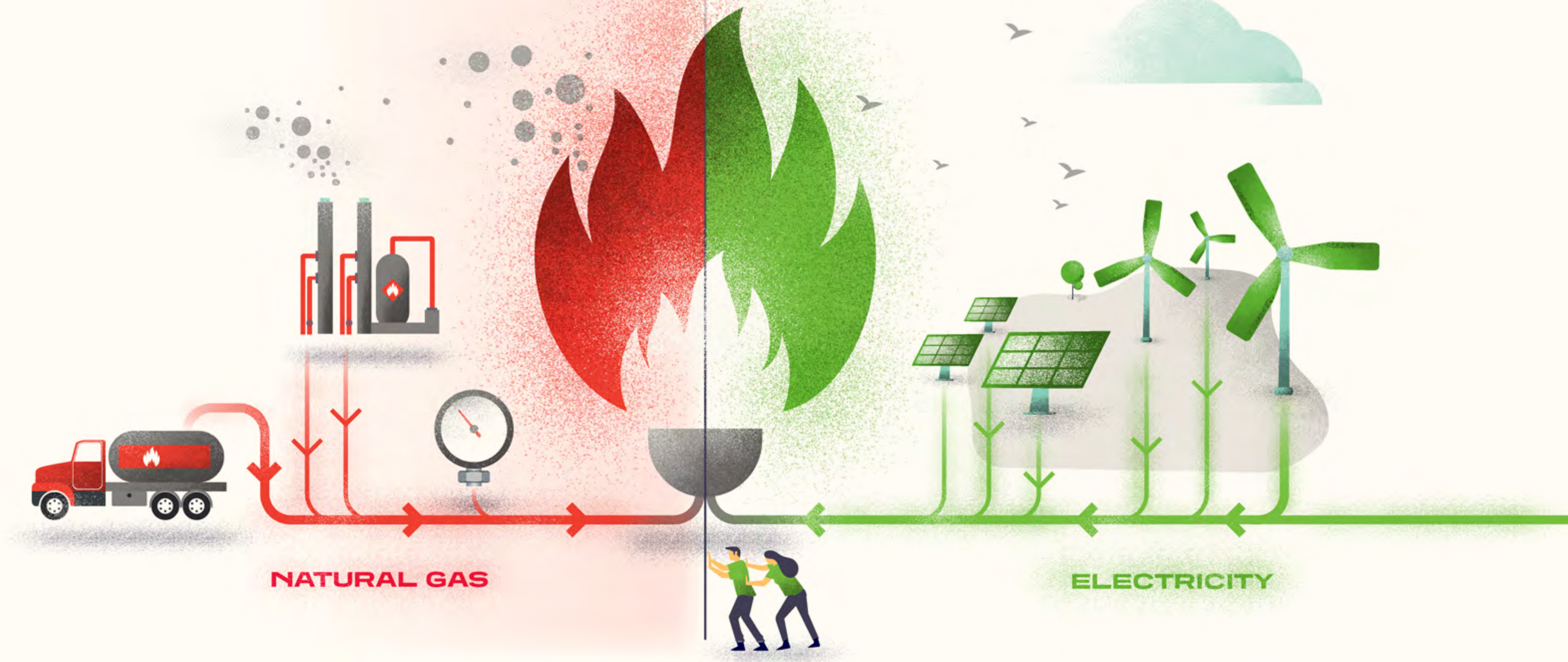
Although the secondary packaging may be considered as waste, all the materials used can be recycled by other industries.

The reuse of wood pallets is managed by BA. In 2020, over 3 million pallets (a 7% increase when compared to 2019) were returned by our customers and the average reuse rate stood at 93,7%. Those that are not recovered by BA are reused by our customers or taken to our customers' suppliers to be reused by them. During 2020, the consumption of plastic foil and cardboard layers per ton of glass produced continued its downward trend, with each dropping 0,3% and 3,3%, respectively.

CONSUMABLE PACKAGING USAGE







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

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

Real-time energy efficiency management systems have been implemented in all our plants. We always invest in the best available technologies and in improving our processes continuously, making our operations more environmentally sustainable.

In 2020, BA rebuilt two furnaces, in the Venda Nova and Avintes plants, and built a new one in the Plovdiv plant. A drop of 13% in energy consumption was achieved after the furnaces were rebuilt, representing a reduction of 23,000 tons of CO_2 emissions.

BA is also reducing the usage of natural gas by replacing it with electricity. In 2020, the natural gas share reached 79.9%, representing a decrease of 0.7% in the past four years. The F4F (Furnace For the Future) hybrid furnace (80% electricity and 20% natural gas), a project in which BA is actively involved, is the next step in the process of replacing natural gas with electricity.

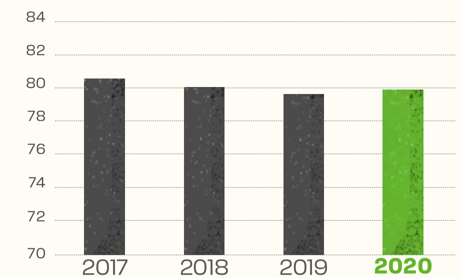
All BA plants have implemented an Environmental Management System, and the Gardelegen plant's Integrated Management System is certified under ISO 50001.

Following this commitment to sustainability and driven by a strategy of reducing CO_2 emissions, BA has signed "The Porto Protocol" and has committed itself to the Science-Based Targets Initiative (SBTi). In 2020, BA was awarded the prize for "The Most Sustainable Company in the Glass Industry" at the "World Finance Sustainability Awards 2020".

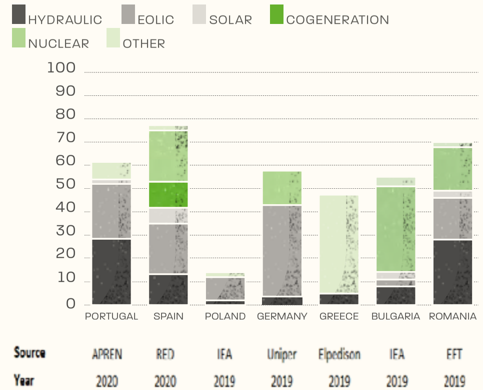
In 2020, the natural gas consumption per ton produced decreased by 1.3% and the electricity by 3.0%. Overall, the energy consumption totalled 1,509 kcal per ton produced, 1.6% lower than in 2019, representing a reduction of 4,5% in the last 4 years. These results from BA's continuous investment in the adoption of the most energy-efficient equipment .

The available renewable electricity in the countries where our facilities are located is significantly different. The plants in Portugal are supplied with 100% renewable electricity, whereas in Poland, the share of renewable electricity does not go beyond 20%. The renewable origin certificates are starting to be a reliable option to balance the position of the various countries.

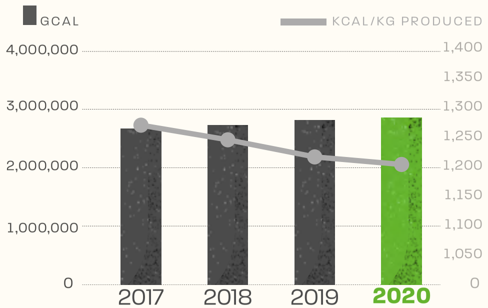
NATURAL GAS SHARE ON TOTAL ENERGY (%)



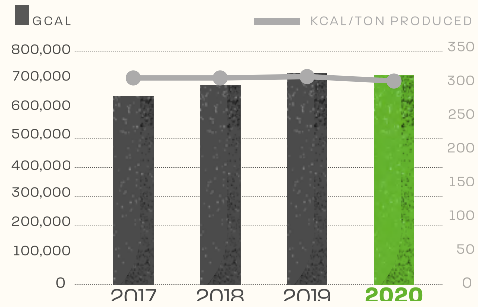
GREEN ENERGY PRODUCTION (%)



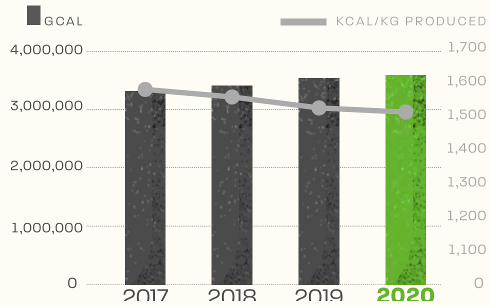
NATURAL GAS CONSUMPTION



ELECTRICITY CONSUMPTION

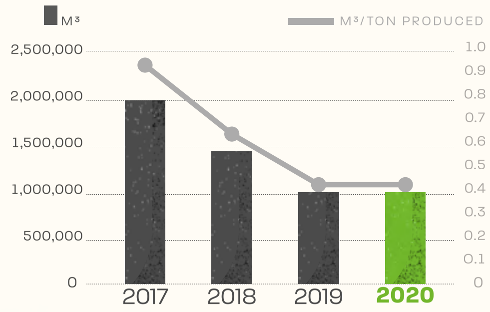


TOTAL ENERGY CONSUMPTION

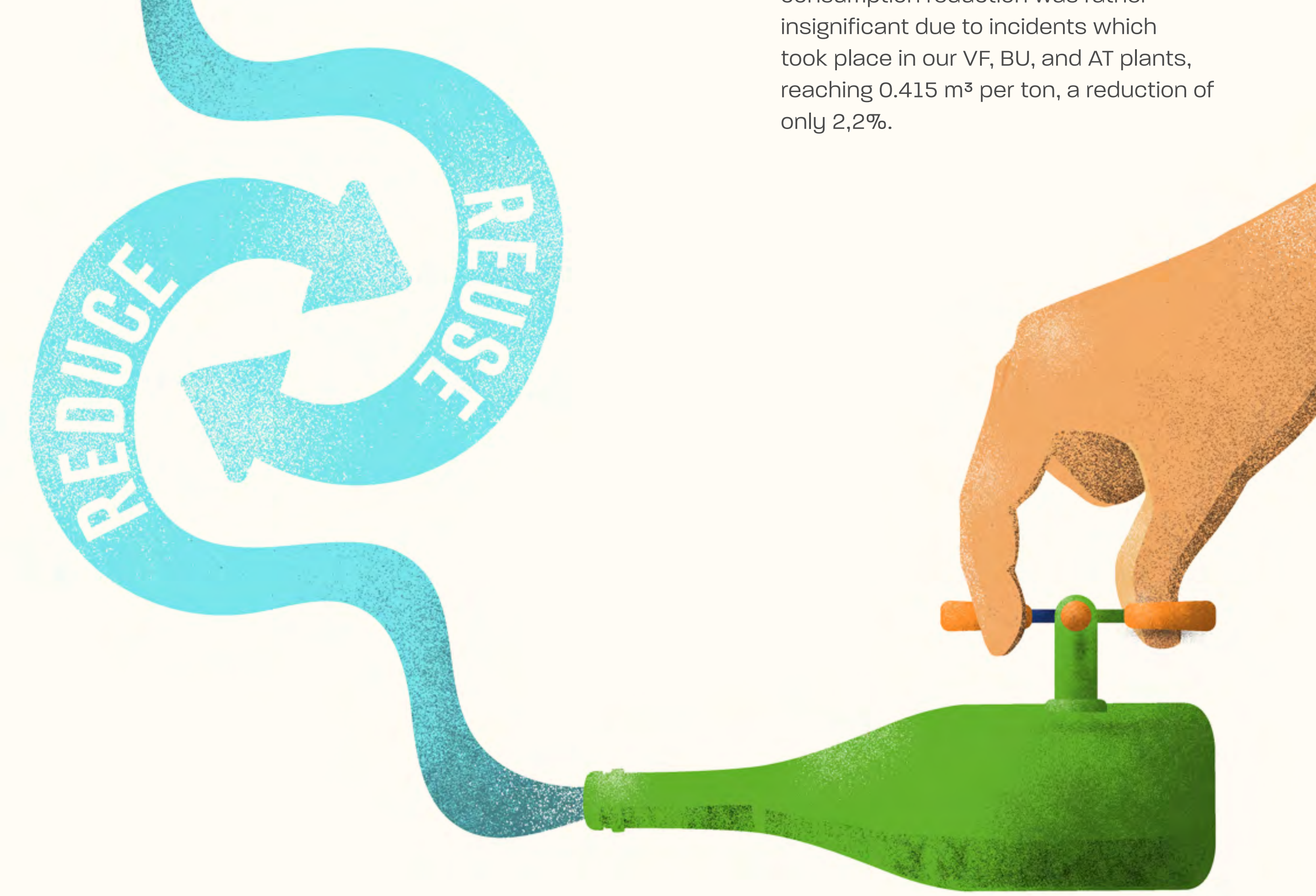


In 2020, we finished one of the largest photovoltaic installations in Iberia at our Villafranca de los Barros plant, and we also started building an installation in the Avintes plant. The Villafranca de los Barros photovoltaic power plant, assembled on the warehouse's roofs, with a total power of 8.1 MWp produces over 10% of the plant's needs.

WATER CONSUMPTION



Our production process requires water to cool down and clean some systems and equipment. Many technologies have been developed to optimize water efficiency and allow its reuse. We aim to use no more than 0.1m³ per ton produced and, in Gardelegen plant, water usage is already below that target. In 2020, the overall water consumption reduction was rather insignificant due to incidents which took place in our VF, BU, and AT plants, reaching 0.415 m³ per ton, a reduction of only 2,2%.

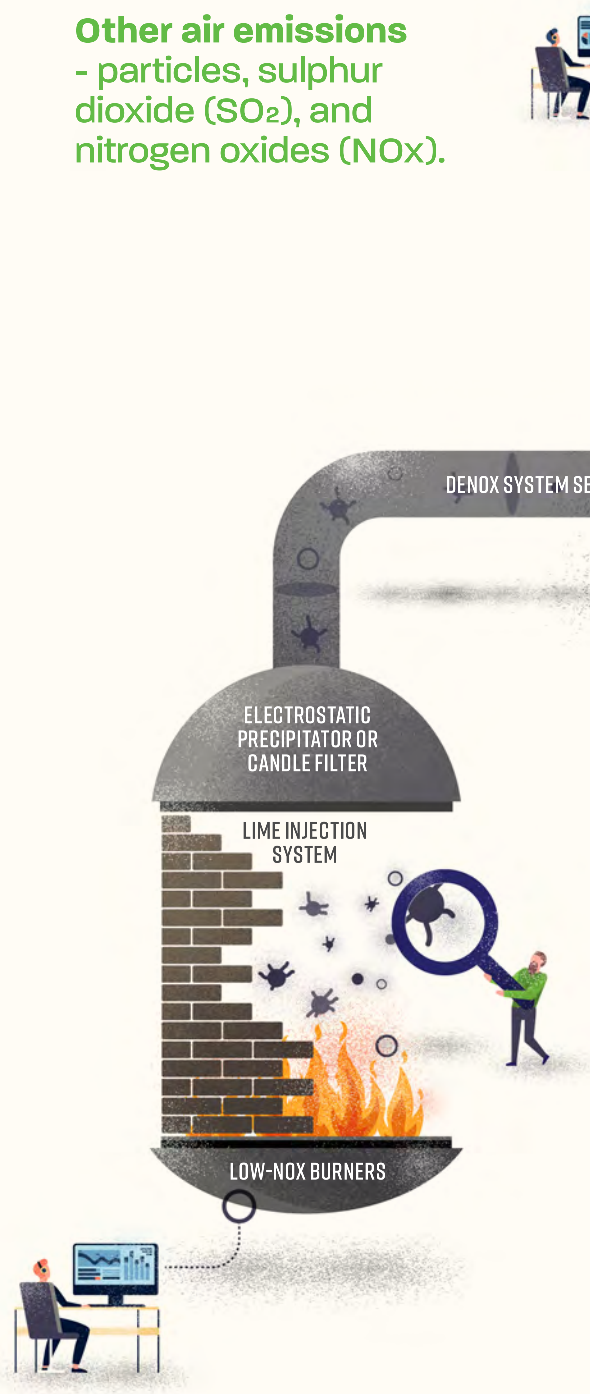



Reduce the usage of water by 75% to at most 0.1 m³/ton.

Why water matters to us?

Water is a natural resource that tends to be scarce. It is our responsibility to use it properly and develop systems and processes that allow its reuse.

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



CO_2 is not the only air emission produced by our activity. BA plants are covered by the Industrial Emissions Directive (Integrated Pollution Prevention and Control). All plants have complied with a gaseous emissions monitoring plan in accordance with their respective environmental permits.

Since 2000, BA has been implementing the best available techniques to reduce the impact of gaseous emissions (Particles, NOx, and SO_2).

All BA plants have installed Low-NOx burners in their furnaces as well as secondary measures to reduce particles (electrostatic precipitator or candle filter).

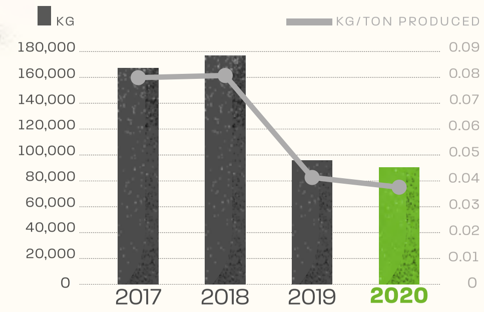
The Gardelegen, Sofia, Plovdiv, and Bucharest plants have a catalyst system to reduce NOx emissions. The Villafranca de los Barros, León, Sofia, Plovdiv, Gardelegen and Bucharest plants have installed a lime system to reduce SOx emissions.

At the end of 2020, a filter system to reduce Particles, NOx, and SO_2 was installed in the Athens plant, an investment of 2.7 million euros.

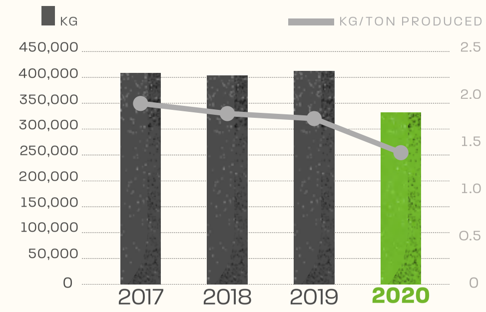
BA has installed continuous monitoring systems for NOx (Marinha Grande, Venda Nova and Villafranca de los Barros), and for Particles/SO_2 (Villafranca de los Barros).

The year of 2020 was marked by the consolidation of the previous improvements, with the introduction of secondary measures in Villafranca de los Barros, León, and Plovdiv plants, which allowed for significant reductions in the emission of Particles, SO_2, and NOx.

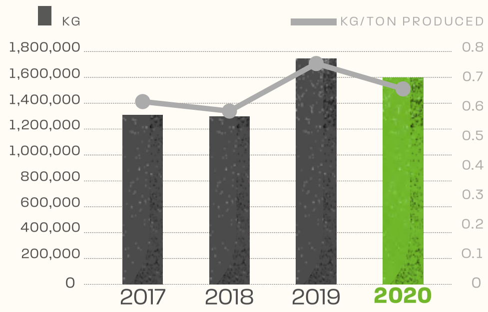
PARTICULATES EMISSION



NOx EMISSION



SO_2 EMISSION



BA acknowledges that the environment is an integral part of its overall management system, having implemented, in all its twelve plants, an Environmental Management System according to ISO 14001. In Portugal, Spain, Poland, Bulgaria, and Romania, the plants are certified according to ISO 14001. The Gardelegen plant has implemented an Energy Management System certified by ISO 50001.

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

— environmental protection and mitigation of environmental impacts;
— promotion of the use of clean technologies and appropriate waste management practices;
— compliance with legal requirements;
— rational use of natural resources;
— rationalization of water, energy, and raw material consumption;
— glass recycling;
— weight-reduction of the glass containers produced;
— reduction of air emissions;
— Carbon footprint reduction.

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

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

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

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

BA has been an active participant in the Carbon Disclosure Project (CDP) platform since 2012, disclosing actions and outputs. CDP is a non-profit organization which assesses the environmental impact of our activities in an independent and rigorous manner, namely with regard to climate change. To be aware of the consequences of our activities and to persevere in mitigating them, will always be our priority towards a more sustainable planet.

Choosing the projects that we want to embrace

We are reviewing our carbon reduction targets for the coming year and we will make them public as a roadmap of initiatives, precursors of ambitious goals.

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

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

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

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

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

PEOPLE

The challenge of leading and developing people under uncertain scenarios reached its peak during 2020 for almost all companies in the world. BA had already been facing a huge transformation challenge in the last years, changing from an Iberian company into a Group operating in several countries, employing around 4,000 people speaking 10 languages.

The internationalisation of the business, and the need to integrate several cultures, made us reinforce our own identity - the BA way – and it was precisely this embodiment of values which allowed our teams to face the pandemic and its challenges.

A new vision was created alongside this growth - "Wrap dreams beyond packaging" - and it has been guiding our priorities. The development of new skills within our teams, the focus on innovation challenges that allow us to surprise customers and consumers, the adaptation to an international work environment, and the integration of different cultures resulting from our growth through new acquisitions, were critical aspects in recent years. Today, we are a more cohesive and more robust team than we were a year ago, we believe that we are now better prepared for the future challenges.

2020 was also characterised by the ongoing automatisation and digitalisation of our processes. The production of glass packaging has undergone significant transformations and, today, our plants are highly automated. Automatic control of the entire process, swabbing robots, augmented reality, and predictive analysis, are some of the projects that our teams are implementing. These changes require new skills, such as analytical and digital mindset. The upskilling of our people is one of our priorities since the future will be more demanding as regards the ability to work in a highly digitalised industry. However, leadership, innovation, creativity, risk-taking and collaboration are undoubtedly the skills that will continue to make a difference, so that is the reason our performance assessment and career development programmes continue to focus on these skills.

OUR PEOPLE

THE GENDER, AGE, SENIORITY AND GEOGRAPHY DISTRIBUTION IS RELATED TO INTERNAL EMPLOYEES

The development of our people is also achieved through training, and more than ever, we had to explore different ways to do it and be closer to our people. The BA Academy continued to run at full speed, now with online training or other means of reaching people when they could not be together.

The Leadership & Management school, the Operations school, the Newcomers school, the Digitalisation school remained alive. Still, our number one priority is the safety of our people, and the Systems school and other Safety programmes have been promoting the appropriate behaviours in safety (not only regarding covid-19, but safety in general).

The TWI (Training Within Industry) programme continues to play a vital role in standardising work procedures for specific job functions and in the transfer and sharing of knowledge. In 2020, the programme was extended to additional operational roles.

BA's remuneration policy has also been designed to reflect the Group's goals of developing and retaining high-performing, motivated people in an increasingly competitive market.

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

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

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

academy
thrive for more

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

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

"Think digital and make it easier".

2020 was a very challenging year and, due to the new reality, new ways of training emerged: presential training was adapted, contents were converted into digital formats, and non-priority training had to be postponed.

Health & Safety, as well as technical trainings, were high up on our agenda and were carried out with the extraordinary commitment of our Internal trainers and external partners.

BA Academy has made advancements in the digital world, and its scope continued to grow with the development of a new school and an immersion programme which is ready to be implemented:

- Customers & Consumers School, consolidating BA Vision pillars;
- BA Safety Leaders, aiming to spread the Vision of Zero Accidents.

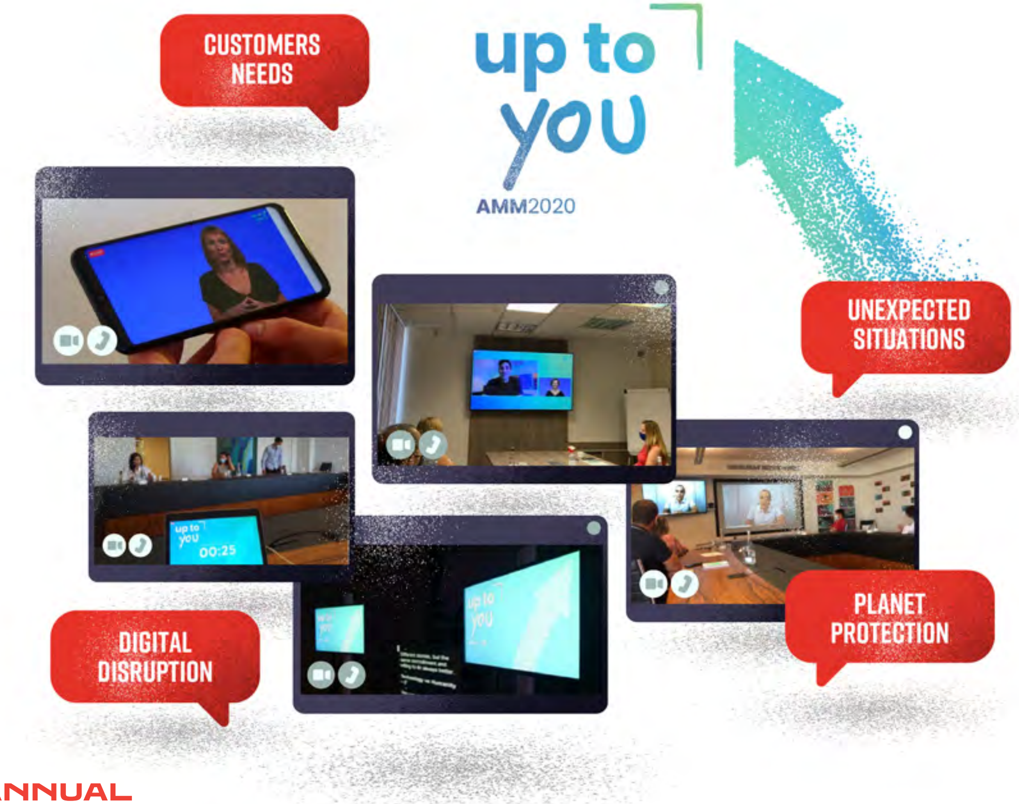
Leadership is crucial to inspire and show the way. This is why the development of our Leaders continues to take place through training, mentoring, functional rotation and internationalisation. In association with an international business school, our leaders were able to increase their networks and develop their strategical thinking, management, and leadership skills.

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

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

OWNERSHIP IS PART OF OUR DNA AND ITS IMPORTANCE BECAME MORE EVIDENT THAN EVER IN THE LAST YEAR.

INDEPENDENT OF THE GEOGRAPHY, DEPARTMENT OR RESPONSIBILITY LEVEL, ALL EMPLOYEES ARE CALLED UPON TO BE PART OF THE CONTINUOUS IMPROVEMENT AND DISRUPTION AT BA.



SUGGESTIONS PROGRAM

The **Suggestions Program**, aimed to promote the sense of ownership of our shop floor, challenge our employees to think about simple solutions, to improve our processes and work conditions, as well as empower them to implement it.

There is a local awarding, for the best ideas of the year in each plant, but also a Group contest. In 2020, the group award was delivered to a colleague from León Plant, for his great suggestion.

BENCHMARKING

On its path to growth, BA is constantly seeking to improve and benchmarking is part of a plan which enables us to go beyond.

The atypical year of 2020 brought different and even more demanding challenges. However, it didn't stop us from continuing to do internal and external benchmarking as a strategy to seek the best practices and the best tools, that we consider essential to the development of our people and processes.

ANNUAL MANAGEMENT MEETING

The Annual Management Meeting is a crucial moment to share knowledge, think about the upcoming challenges, inspire and align the Vision of BA's Leaders. It is also a place of networking and teambuilding, where people from all geographies come together.

This one was a special meeting – our first blended Annual Management Meeting. With small groups organised locally, we were able to broadcast to all seven countries and gather almost 200 participants.

The sustainability of the Company was discussed under the motto, "It's up to you": the adaptation of operations and organisation to any unexpected situation such as a pandemic; the importance of being attentive and flexible to our customers' needs; the reduction of our carbon footprint and the planet protection; and the innovation and digital disruption that can lead BA to achieve its Vision.

COMMUNICATION

Different initiatives and platforms were implemented in order to share the Group's achievements, internal projects and innovations, sustainability tips and initiatives, introduce newcomers, and much more.

An internal app, the **BA APP**, was launched, and a new internal portal was created, the **BA Spot**, with updated contents available to all local languages through physical kiosks accessible to all.

The implementation of communication tools allows us to keep/bring our people "together". This became a priority during these challenging times. Through the use of these tools, our Management Board is able to share and emphasise the importance of safety measures and its impact in our business, best practices, information from the World Health Organization, among others, whilst keeping everyone engaged.

Externally, BA's official **social networks** diversified the subjects communicated, with great involvement of BA's employees. The number of followers doubled compared with the previous year, allowing us to reach more partners, customers and final consumers.

HEALTH AND SAFETY

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

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

Several actions were taken to support our strategy.

In 2020, BA managed to reduce the number of accidents, but our ambition is to go beyond, chase the zero accidents goal and improve on the tendency for risk reduction.

BA Safety Way 2.0 Campaign
To raise awareness for health and safety issues, focusing on the continuous improvement of workplace behaviours.

Safety Talks
A digital tool that registers monthly talks with all employees with the aim of sharing safety information related to current trends, mainly accidents, near misses, best practices, etc. It is a way of getting all the teams involved and reinforcing a positive safety culture throughout the organisation.

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

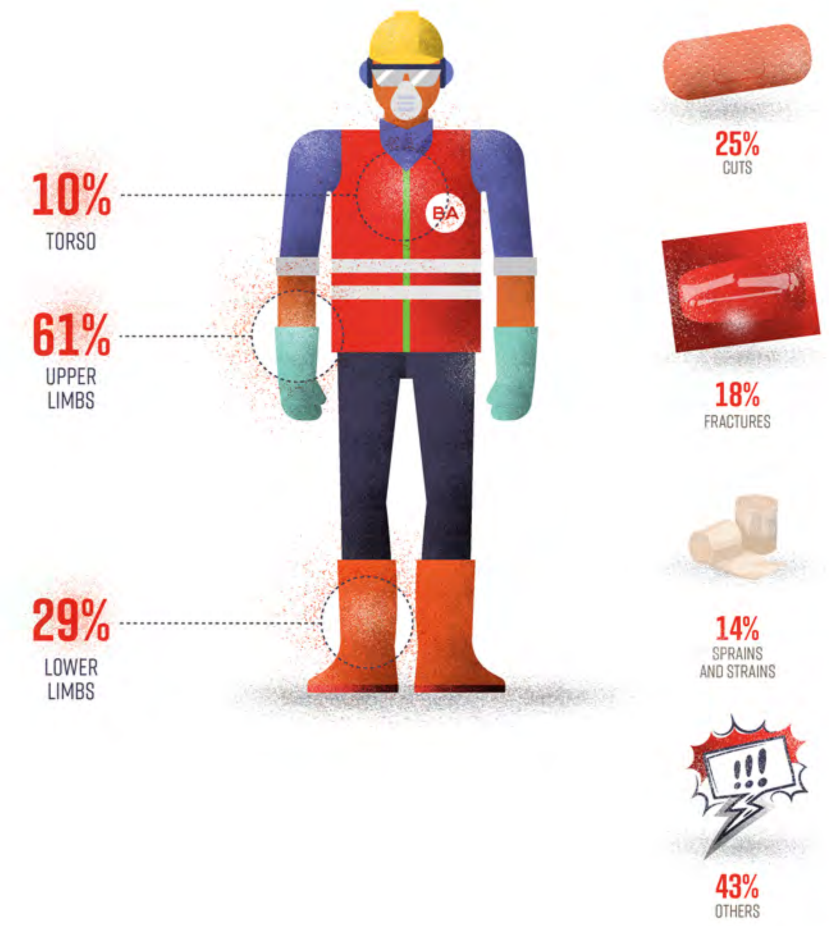
Safety Walks
Performed by all Executive Board members, resulting in 215 actions mainly related to circulation and moving machines.

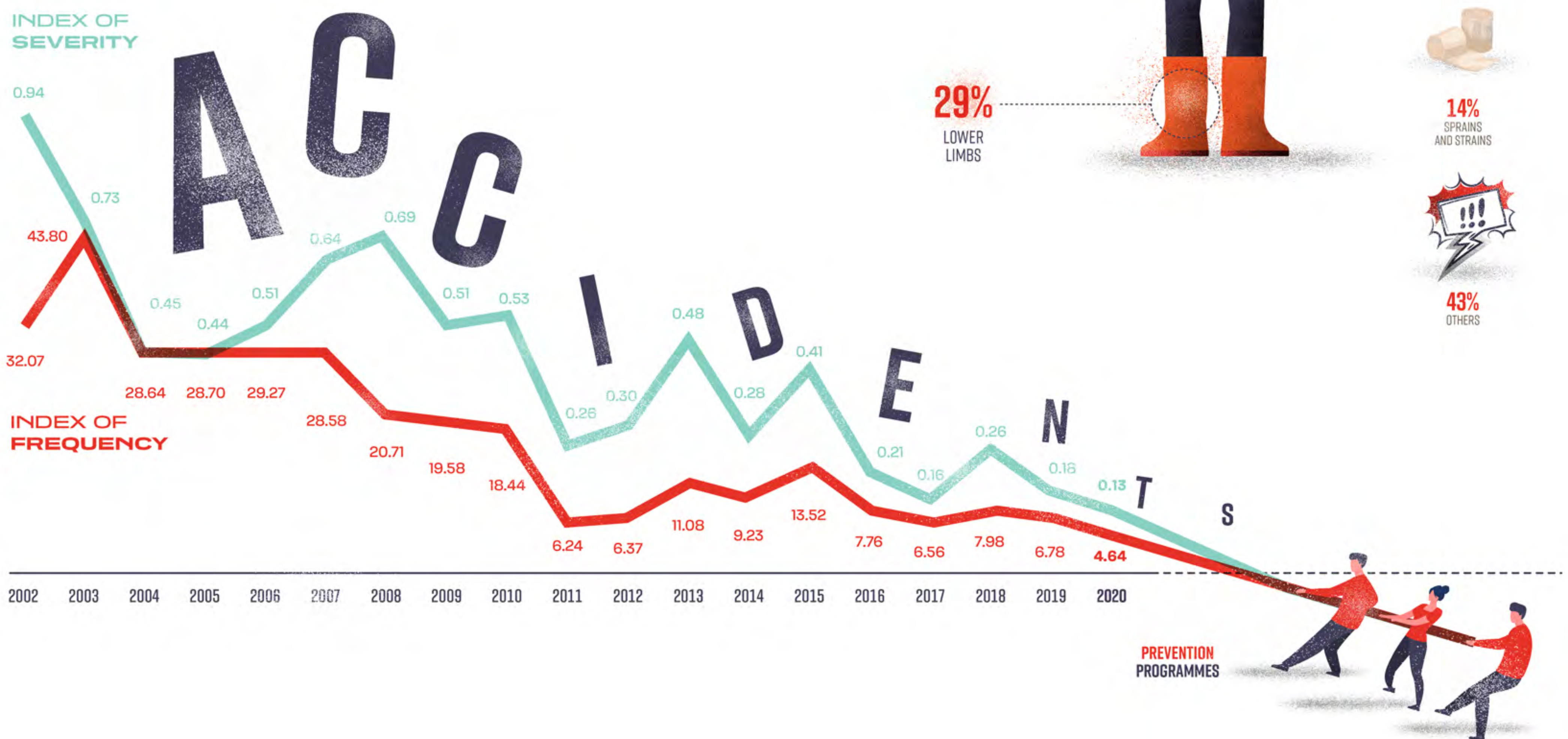
Forklifts Pedestrian Detection System
To raise awareness and help prevent accidents involving forklifts and pedestrians.

HEALTH AND SAFETY

BA's goal is to achieve **zero accidents**.

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





HEALTH AND SAFETY

Based on the BA Safety Way model, we created the SAFETY HUBS. These consist of multidisciplinary workgroups, the "solution finders", whose responsibility is to improve Safety by helping with the analysis and diagnosis of relevant aspects of each specific Hub and contribute to one of our main goals, which is to minimise and avoid all possible risks.

The involvement of people from different backgrounds in H&S issues aims to raise awareness and influence behaviours, leading us to our goal of zero accidents.

The SAFETY HUBS were created to support, ensure and increase safety in the three risker areas of our Industry, namely **Production Machines**, **Investment projects**, and **Moving Machines**.

These HUBS lead to the improvement of processes, the creation of new procedures, new tools and KPIs, among others.

With these actions, the Company seeks to build a safer work environment.

SAFETY HUBS
A transformation process for Health and Safety

SOCIAL ACCOUNTABILITY

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

CODE OF ETHICS

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

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

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

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

Relationship with interested parties
— Customers and Suppliers
— Shareholders
— Relationship with Supervisory Authorities
— Relationship with Competitors
— Relationship with the Media

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

Commitments to environmental sustainability
— Rational use of resources
— Waste reduction and re-use

Whistleblowing Procedure

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

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

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

Such occurrences must be reported via the following channels:

By email
speakup@baglass.com

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

Know more in our website
www.baglass.com

COMMUNITIES

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

GLASS STANDS FOR EDUCATION

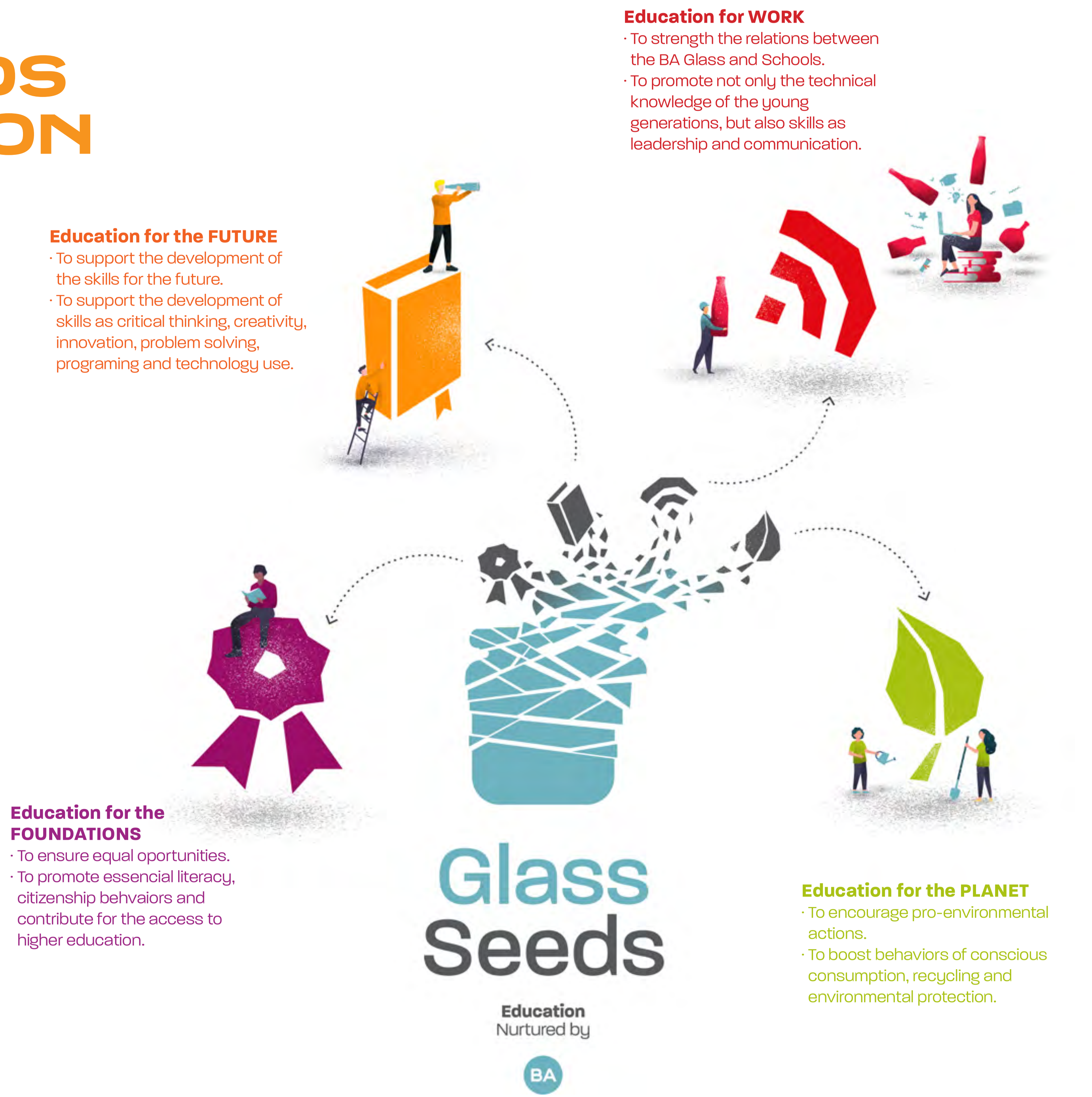
Our approach to Communities is driven by the belief that Education is a powerful tool of transformation and crucial to build a better future. In 2020, BA decided to boost the support of educational projects for the youngest generations.

Thus, the **Glass Seeds** was born to promote the equality of opportunities and meritocracy in our local communities through educational support.

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

In the year of launching, some important partnerships were already firmed, namely with **42 Lisbon** (Education for the Future), **Teach4Portugal** (Education for the Foundations), **Stand4Good** (Education for the Foundations and for Work) and **EPIS** (Education for the Planet).

For the upcoming year, new partners will consolidate this projects in all geography's BA Glass operates.



CERTIFICATIONS

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

ECOVADIS platform that supports the company to assess and monitor the performance and continuous improvement with the aim to reinforce and develop corporate social responsibility practices, sustainable development performance and also facilitate risk management and incentives to introduce innovations.

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

SA8000

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

ASSOCIATIONS

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

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

The company management systems are certified according to international standards for Quality, Food Safety, Environment, Social Accountability, Health & Safety, and Energy. Regarding management systems, all plants are certified according to ISO 9001 – Quality Management Systems, and FSSC 22000 – Food Safety System. All plants, except Athens and Gardelegen, are certified according to ISO 14001 – Environmental Management Systems. The Gardelegen plant is certified according to ISO 50001 – Energy Management Systems. Regarding social concerns and labour conditions, the Iberian plants are certified according to SA 8000 - Social Accountability. The Polish, Romanian, and Bulgarian plants are now certified according to ISO45001 - Occupational Health and Safety replacing OHSAS 18001 – Occupational Health and Safety Management Systems. We believe is the key to success in achieving our mid- and long-term goal.

We believe that the adoption of international standards brings added value to the improvement of company procedures and practices, and that certification is a guarantee of consistency and best practices, which will benefit customers and the whole value chain. The company and its subsidiaries are members of the following associations:
FEVE – Fédération Européenne du Verre d'Emballage; Food Packaging Forum Foundation; PIO – Polska Izba Opakowan, Glass B.V.; AIVE – Associação dos Industriais de Vidro de Embalagem; and ANFEVI – Asociación Nacional de Empresas de Fabricación Automática de Envases de Vidrio.
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 an community legislative initiatives. The recycling of glass was the focus of all associations, reinforced by the need to deliver packaging containing more recyclable materials.

BEING CLOSER TO OUR CUSTOMERS

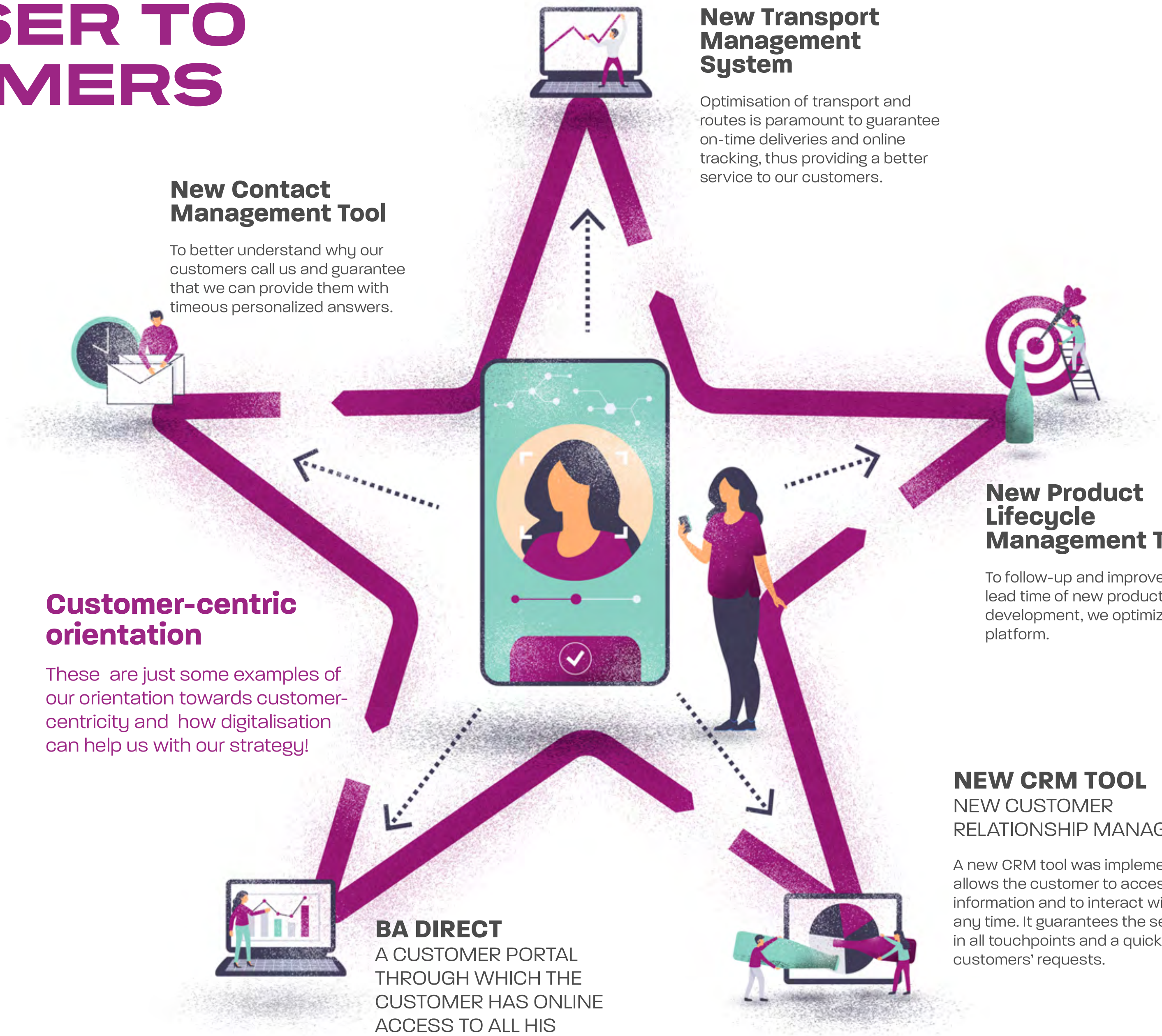
Digitalisation is the Key...

For BA, being closer to our customers means that we are able to react faster, to be more flexible and more efficient in providing answers to our customers.

In a year where nothing could be taken for granted, having the right tools and taking advantage of digitalisation was the key to success in providing a better customer experience and in giving hope in a time of uncertainty.

We will keep moving... and faster!

Because, at BA, our customer is our **star**!



New Contact Management Tool

To better understand why our customers call us and guarantee that we can provide them with timeous personalized answers.

New Transport Management System

Optimisation of transport and routes is paramount to guarantee on-time deliveries and online tracking, thus providing a better service to our customers.

Customer-centric orientation

These are just some examples of our orientation towards customer-centricity and how digitalisation can help us with our strategy!

New Product Lifecycle Management Tool

To follow-up and improve the lead time of new products development, we optimized our platform.

BA DIRECT

A CUSTOMER PORTAL THROUGH WHICH THE CUSTOMER HAS ONLINE ACCESS TO ALL HIS INFORMATION

Presently, more than 50% of our customers access it daily .

NEW CRM TOOL

NEW CUSTOMER RELATIONSHIP MANAGMENT

A new CRM tool was implemented which allows the customer to access his information and to interact with BA at any time. It guarantees the service level in all touchpoints and a quick reply to customers' requests.

DESIGN AND INNOVATION TO ADD VALUE

We don't want to be just another glass supplier - we want to be partners of our customers. We must "design together a better future" whilst adding value to their ideas and projects, challenging them and helping them innovate.

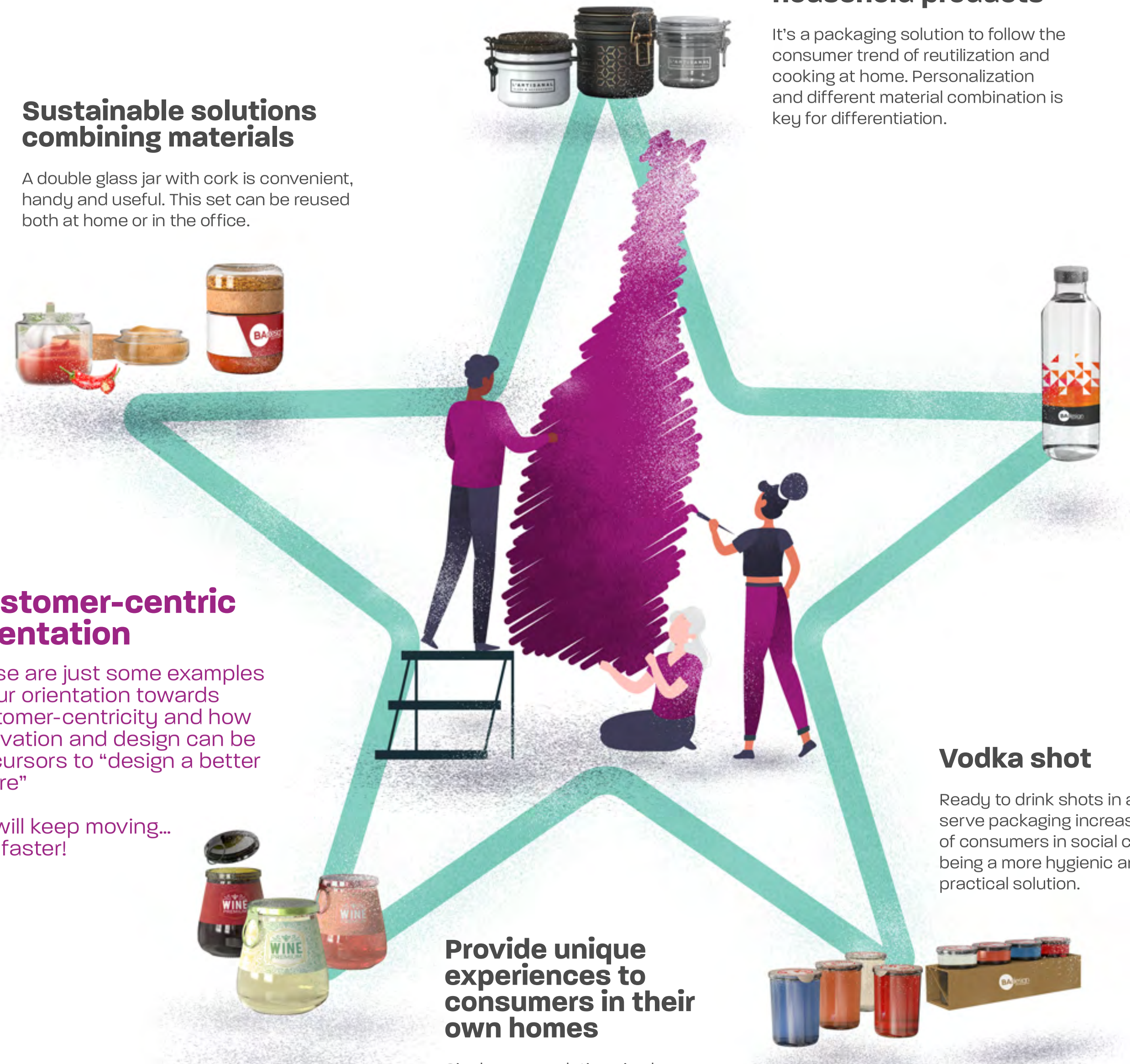
Following the products' lifecycle, from its conception to implementation, and working together with our customers on sustainability, innovation and convenience, we aim to provide unique experiences to CONSUMERS. We want them to enjoy our products with trust and safety.

Because, at BA, our customer is our **star**!

Customer-centric orientation

These are just some examples of our orientation towards customer-centricity and how innovation and design can be precursors to "design a better future"

we will keep moving... and faster!



Sustainable solutions combining materials

A double glass jar with cork is convenient, handy and useful. This set can be reused both at home or in the office.

New designs for household products

It's a packaging solution to follow the consumer trend of reutilization and cooking at home. Personalization and different material combination is key for differentiation.

Healthy, reusable and easy to clean

The reusability of water bottles made of glass are the best choice in terms of health.

Vodka shot

Ready to drink shots in a single serve packaging increase trust of consumers in social context, being a more hygienic and practical solution.

Provide unique experiences to consumers in their own homes

Single serve solutions in glass are the most convenient and premium to provide wine lovers a great toast.

SOME OF 2020'S ACCOMPLISHMENTS

Despite the high demand for flexibility in our plants, we were able to reduce our customer complaint rate.

It is definitely not enough and our aim is to remain focussed on improving...

In a year of uncertainty, our customers valued our partnership and our closeness, despite all travel restrictions, we were able to achieved a Net Promoter Score (NPS) record.

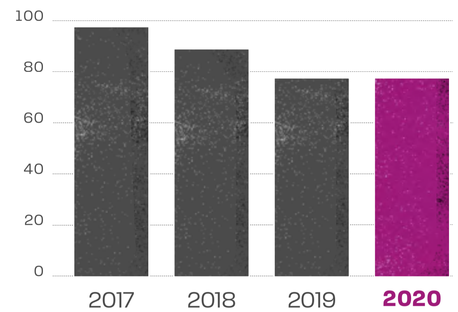
A year in which the world came to a halt and many new projects were postponed and kept on hold, we still managed to develop over 25% of our new projects, primarily the lightweight projects.

We are the result of our customers' trust, confidence and cooperation.

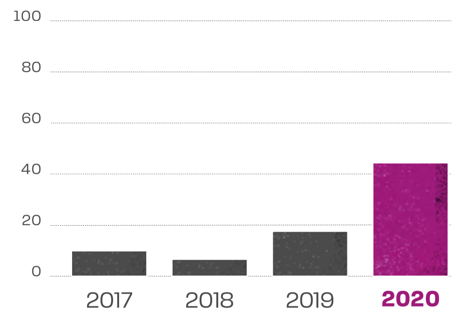
We are more than just another supplier, we are a partner who is over 100 years old!

BA aims to be considered as a partner by its customers - in their growth, innovations and disruptions - through the delivery of quality products and services.

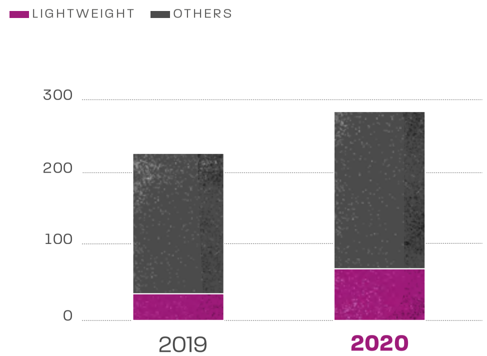
OVERALL COMPLAINT RATE (%)



NET PROMOTER SCORE (%)



NEW PROJECTS



INNOVATION INITIATIVES

With the pandemic situation, consumers changed their needs, behaviours and even demands, being innovation the best vehicle to deliver tailormade packaging to the new time we are living.

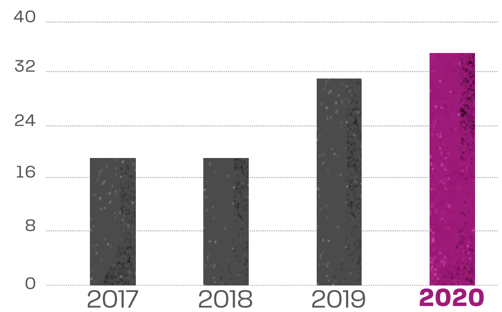
Innovation initiatives in cooperation with our customers are crucial to achieve better results depending on the market, country, and segment. The innovation challenge framework allows BA to analyze the overall customer value chain, identify opportunities to improve the current business, reduce costs and improve the sustainability levels. Based on 6 pillars, the innovation challenge embraces different areas such as: Design & Innovation, Stocks & Production, Logistics & Distribution Technology & Quality, IT's & Backoffice and Consumer Focus.

In 2020 BA promoted 35 innovation initiatives, which represents a record. The dynamism of innovation capacity results in the sustainable growth of absorptive ideas for the industry.

BA Glass promotes to its customers "Glass days", where information about glass production, quality, innovation, product development and other topics of interest are presented by a BA team.

The discussion of different subjects allows the opportunity to share new needs and development opportunities for the future.

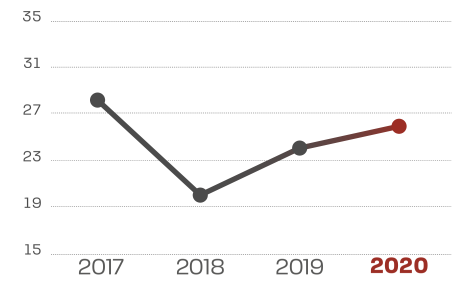
INNOVATION CHALLANGES NR PROJECTS

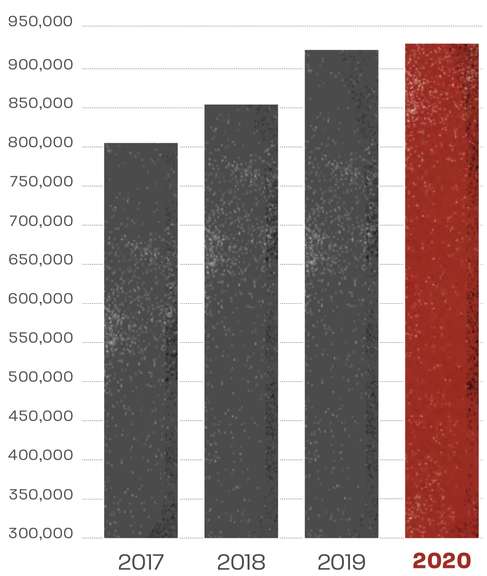


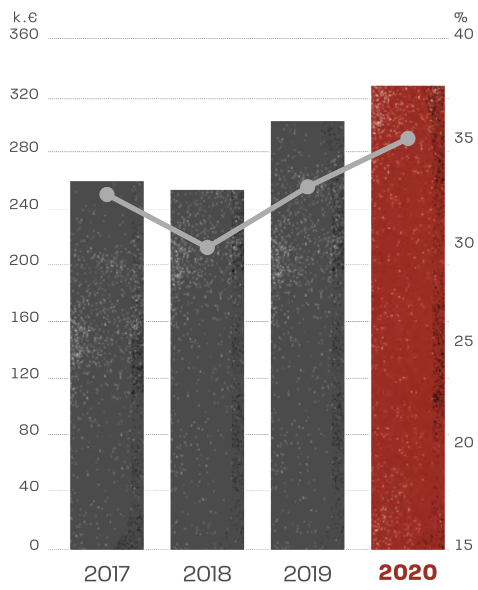
PROJECTS PRESENTED TO THE CUSTOMER

SHAREHOLDERS

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







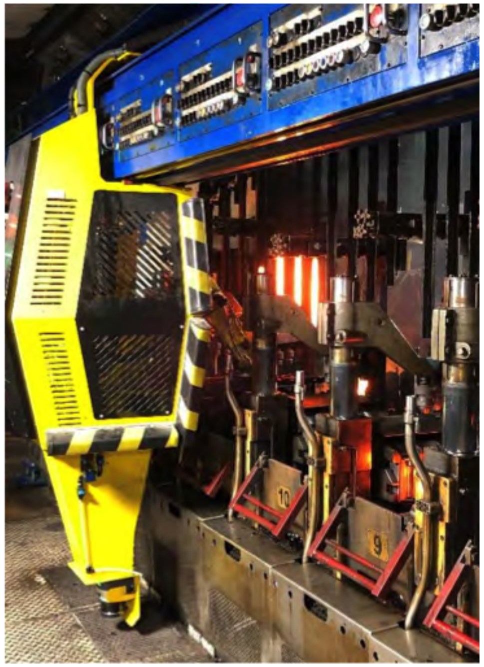
INNOVATION AND TECHNOLOGY

In 2020, the most innovative available technologies in the area of Digital Manufacturing were installed. We looked for initiatives that can improve the quality of our products, bringing more consistency to the production process, and making our working conditions more attractive.

The work was developed in 3 areas: process transformation, end-to-end visibility and advanced analytics.

PROCESS TRANSFORMATION: ROBOTIZATION, SENSORING & AUTOMATION

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

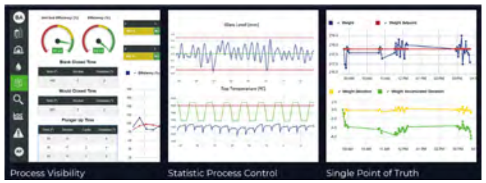


END-TO-END VISIBILITY

BA Manufacturing **eX**perience

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

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



ADVANCED ANALYTICS

Analyzing past data, allow us to develop models that will better support the operations. An example of this is the progress we achieved this year with our furnace optimizer. This tool is a recommendation system that simulates the furnace's basic operation and helps to minimize costs and CO_2 emissions.

We are taking our first steps in the field of advanced predictive analytics. It is an amazing and powerful tool that will change the way we produce.

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

BA

2020 Management Report

YEAR ACTIVITY

MARKETS

THE MARKET AND BA'S APPROACH

The pandemic arrived without previous notice and the confidence that we had at the beginning of the year was replaced by fear, for our lives, and the future. We had to make quick decisions about what would be our priorities, and they were very clear: to not stop our production lines and keep supplying our customers!

In March, the internal consumption quickly started to decrease in our natural markets, driven mainly by the closure of the on-trade (HORECA) channel, like restaurants and coffee shops, and we had to search for new opportunities and new markets.

Our strategic pillars helped us in that quest. Firstly, the market and product diversification allowed us to create many new alternatives during 2020, and secondly, our vision "wrap dreams beyond packaging" focused particularly on understanding how the consumer was behaving during the pandemic, anticipating subsequent threats and opportunities.

With well-defined priorities, we just had to make the necessary investments in machinery and processes to transform our production lines and fulfil those needs. "Flexibility" was and continues to be the keyword to describe our Group.

"...DESPITE ALL THIS UNFAVOURABLE EXTERNAL CONTEXT, BA'S TURNOVER REACHED EUR 931 MILLION, REPRESENTING AN INCREASE OF 0.8% AGAINST THE PREVIOUS YEAR"

SALES ACTIVITY

Therefore, and despite all this unfavourable external context, BA's turnover reached EUR 931 million, representing an increase of 0.8% against the previous year. The sales growth in the export markets was fundamental to balance the decrease in the demand in our natural markets. Today, exports already represent more than 25% of our sales.

Soft drinks and wine were the segments most exposed to on-trade, with sales dropping by 17% (during the first lockdown this reduction was above 30%), but, on the other hand, we saw a significant increase in demand in the food segment as people were forced to consume more at home. The food and oil segments were already those with the biggest market share in BA's portfolio, but the weight of these segments in our sales portfolio increased significantly from 31% to 38% at year-end.

Sales in the beer segment ended the year with volumes similar to the previous year's. The dynamism of some markets and brands compensated the reduction in others, due to a different exposure of glass to the various consumption channels. Additionally, our wider European footprint and presence in multinational companies allowed us to seize all the new opportunities that came our way.

In the spirits segment, the reduction in sales had less impact than in the soft drinks and wine segments, albeit with different behaviours amongst the brands. Here, again, our portfolio diversification protected us against the significant drop in some brands.

SERVICE

For some time, travelling was not permitted, so we re-invented the way to communicate with new and current customers since we could not lose contact and proximity. In the end, we became even closer to them, attending to their needs and anticipating the shifts in demand. Daily and weekly meetings with customers were implemented to align needs and to support the decisions we had to make to mitigate the consequences of the tremendous uncertainty we were facing every day.

Several processes were also transformed, and through online interaction, we beat records of the number of "innovation challenge" programmes, a framework to work together with our customers creating value throughout the supply chain and optimising costs. Some of the outcomes were: improvements in the packaging, the bottles' lightweight, new designs, and logistics' optimisation.

Despite our availability, our customers' priorities also changed, and as a result, the number of new products launched onto the market decreased, since many of customers concentrated their sales on a smaller range of products.

Continuing the path of innovation, the Glassberries event took place for the ninth consecutive year and for the first time in a fully digital format. We couldn't postpone a programme where we join students and customers with a common goal – innovation. This year, the contest was dedicated to sparkling wine and sustainable solutions. We had 78 students from different countries competing. The prize for "Best Design" was awarded at the event, and the moments of sharing amongst our hosts, over 145 customers, were very important. Design, environmental sustainability, and human health were the main topics on the agenda.

In a year of profound challenges, we were pleased to receive very positive feedback from our customers. We reached an NPS (net promoted score) of 44%, much higher than our previous rating. In a year where we could not be physically close to our customers, we confirmed that partnerships are based on trust, service level, confidence, and commitment.

CO2 FOOTPRINT
We are working with our customers to improve both our carbon footprint and theirs', by sharing our knowledge on eco-design possibilities and by looking for alternatives to improve the glass recycling rate through changes in consumer behaviour.

During the year, we also took some very important steps in that direction:

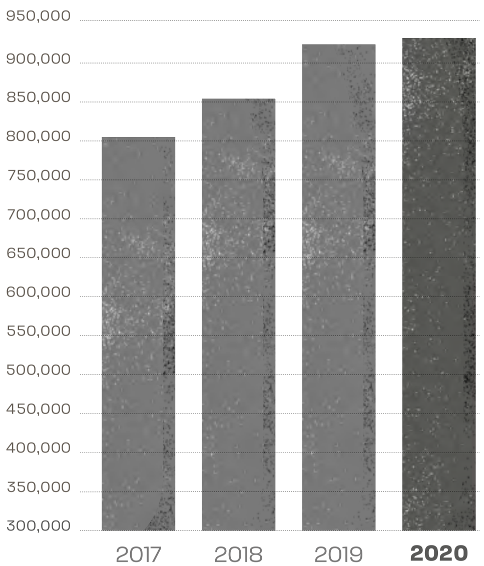
— We committed ourselves to map and quantify our carbon footprint in all three scopes. We finished it during the second half of 2020.

— At the beginning of 2021, we joined the Science-Based Targets Initiative (SBTi). We are now working to set targets and disclose the reduction of our CO2 emissions for all three scopes.

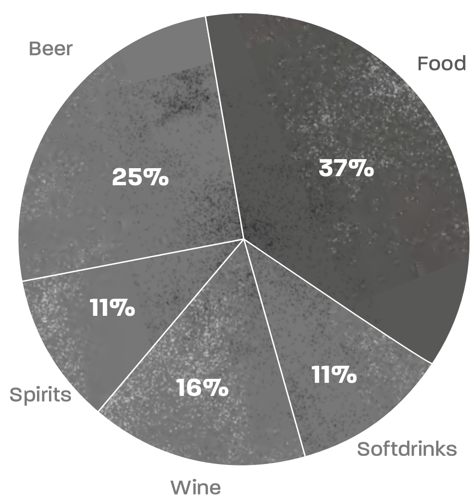
— We have set the goal of becoming Carbon Neutral.

In 2020, our CO2 emissions decreased 1.9% when compared to 2019 (scope 1). We still have a long road ahead, but we are already taking very important steps to achieve carbon neutrality in the coming years. These steps have been recognised with the award for the "Most Sustainable Company in the Glass Industry" by the "World Finance" magazine.

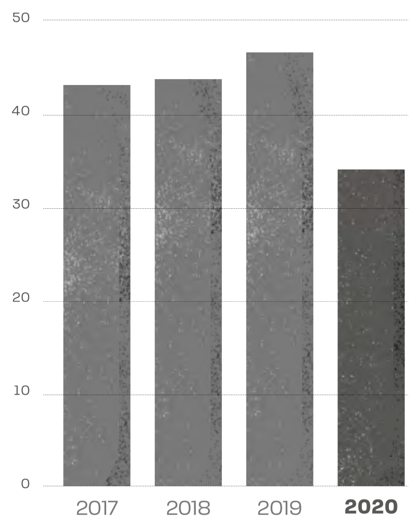
TURNOVER k.€



SEGMENT SALES [%]



NEW PROJECTS SUCCESS RATE %



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

“THE COVID-19 OUTBREAK BROUGHT ABOUT IMPORTANT CHANGES IN THE PRODUCTION MIX, NEW CUSTOMERS, REALLOCATION OF COLOURS, AMONG OTHER CHALLENGES WHICH WERE SUCCESSFULLY OVERCOME. ”

OPERATIONS

CHALLENGES AND ACTIONS

“Flexibility” was the keyword for our operational teams, with a strong focus on adapting to the changing reality. The main challenge of our plants was to adapt quickly to the market needs, and being able to produce the required products. The supply chain team faced similar challenges with closed borders and regions under quarantine, a challenge for both inbound and outbound logistics.

With our team’s support and commitment, we managed to overcome all our challenges. In these tough, uncertain times, the team has dedicated its efforts to the continuity and long-term sustainability of our business.

PLANTS

Production flexibility brought challenges to all plants, more investments were needed, and several inefficiencies were generated. It was our option to assure a reliable and continued service to our customers, as we truly believe in long-term relationships, and, in 2021, we certainly started the year better prepared to overcome some of last year’s inefficiencies.

In the Iberian Division, the performance was positive. Various records were broken in productivity, quality, and service, and the Division dealt well with the challenges arising from the market and the investments, as one furnace had to be repaired and another was rebuilt. These two investments were made without any disruption due to COVID-19. It was the year for teams consolidation and continuous improvements in our 5 plants.

During 2020, the Iberian plants served as incubators to several successful proofs-of-concept as part of our digitalisation roadmap, which, in 2021, will roll-out to all BA plants.

The Central Europe Division performed well, with significant efficiency improvements in Gardelegen, with Jedlice keeping its growth path, and with Sieraków plant taking very consistent steps towards the Group’s standards. The division is now well consolidated and ready for a new cycle of investments.

In the Southeast Europe Division, 2020 was a very intense year as regards organisational transformations through team reorganisation, intensive training, and people attraction and retention, which will continue in 2021.

The COVID-19 outbreak brought important changes in the production mix, new customers, reallocation of colours, among other challenges which were successfully overcome. The year was exceptionally difficult for the Bucharest plant, with two major incidents, causing a production loss during summer. The plant team's reaction was remarkable, and we managed to recover production in the second half of the year.

Finally, the successful construction of a new furnace in Bulgaria to replace an old one.

The benchmarking initiatives were more difficult to execute due to the travelling restrictions, but this process has continued, adapted to the new reality. The “Beyond Quality” project is now fully implemented in all plants and the non-quality stocks decreased to a marginal level, and greater improvements in quality and efficiency are expected in 2021.

SUPPLY CHAIN

On the supply chain, we started the year with very well-defined objectives to improve our efficiency and service in transports, making full use of the new digital transportation platform to improve operations in our warehouses and increase the level of automation in our administrative work. In March, all priorities were shifted to keep all our inbound and outbound operations running, maintaining the flow of all raw materials to prevent our plants from stopping and finding alternative routes to deliver our products to the customers. Being an *essential industry* places on us the responsibility, before our customers and consumers, of not stopping production and of delivering the bottles and jars which they need. This sense of responsibility helped us to overcome the reality of being in lockdown, and forced us to adapt to the circumstances.

Regarding transports, our service improved significantly with the use of a digital tool, as we now have a full view of our delivery, namely the online location of our trucks throughout Europe, and slot management for the loadings, among many other functionalities. The second half of the year was focused mainly on designing new routes and developing warehouse solutions to cope with the increasing commercial challenges, particularly in exports.

The energy market had a very volatile year with prices dropping in the first half due to the COVID-19 impact, the Russia-Saudi Arabia oil war, and the excess stocks of natural gas. Nevertheless, prices started to shift in the 3rd quarter, and at the end of the year, prices were already at 2019 levels and rising. The overall effect for the year was quite positive.

Most raw materials and transports followed the same trend in terms of price, but with lower variance than energy, decreasing with the pandemic and increasing for the year-end.

CO_2 started the year with a price in the range of 25€/ton and ended the year at above 30€/ton. Although the fluctuations during the year caused it to reach a lower average price, the CO_2 price increases are clear, and our carbon footprint neutrality strategy is also crucial to find the right equilibrium in terms of costs.

With all the permanent external challenges, efficiency and productivity are crucial to ensure that costs increases do not compromise our future results. Benchmarking, predictive models, change of recipes, different energy combinations, among others, were implemented or developed to provide an adequate level of efficiency to all plants and compensate for the said challenges.

INVESTMENTS

In 2020, total investments reached EUR 112 million, 7,4% lower than 2019 (EUR 121 million), which represents 12.1% of sales, a value that is above the average for the industry. This decrease was related to the postponement of the start-up of a new furnace in Bulgaria in an uncertain context of scarce demand.

Investments played a very important role in the flexibility of our plants, allowing them to deal with their portfolio changes. Decisions and implementations were made fast, with our plants adapting quickly to market needs.

Our main projects in 2020 were the complete reconstruction of two furnaces: one in Portugal and another in Bulgaria, and the repair of a furnace in Portugal. Both reconstructions were carried out under a COVID-19 environment between July and November. We were able to complete both investments before the time planned and without any additional risks for all people involved. These investments were used as an opportunity to incorporate technical improvements and upgrades using state-of-the-art technology and new generation automatic inspection machines with a direct impact on productivity and product quality.

Following our commitment to the environment, a new photovoltaic park was built on the roofs of Avintes plant. It is the Group's second, after the Villafranca de los Barros park, and two more photovoltaic parks are being built which will be ready to start producing energy in 2021.

INNOVATION & DEVELOPMENT

We all know that COVID-19 accelerated the progress on many topics such as sustainability and digitalisation, but those subjects have been priorities in BA for a long time, and are on the top of the agenda of the Board of Directors and the Executive Committee.

Through digitalisation we aim to improve all our processes, eliminating errors, and making them more robust and capable of delivering higher efficiency and quality. This year, we took a decisive step in the visibility of our manufacturing process by implementing an integrated platform to collect data from all our production process. By the end of 2021, all our plants will be fully integrated. BAMeX (BA Manufacturing Experience) is its name and it is already generating a massive amount of data which will be explored and potentiated through machine learning initiatives.

Some small artificial intelligence projects have already been implemented, namely in furnace optimisation, with very promising results. We are building the future, and all teams involved are excited!

The number of lines with automatic swabbing doubled in 2020, and we now have some plants benefiting from higher process consistency. We still believe that there is room for the improvement of existing technology, and we are applying resources towards the development of partnerships with suppliers.

The reduction of CO_2 emissions is not new to the glass industry, but it is clear that to achieve carbon neutrality some technological disruptions need to be implemented. One of the most important areas to work on, is the emissions from our furnaces (direct emissions, scope 1). It is neither easy nor cheap to change technology that is over 20 years old in order to use renewable sources of energy. This is what lead the industry to join forces, under FEVE coordination. The aim is to develop a hybrid furnace capable of increasing the usage of electricity up to 80% of the total energy consumption.

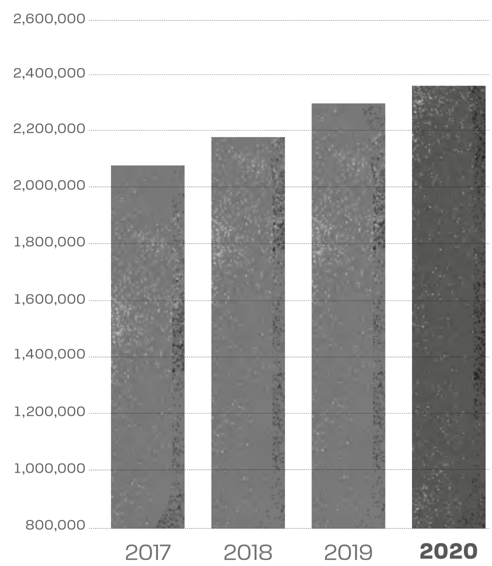
The light-weighting of our bottles and jars continues to be a top priority for our Group, and we believe there is still a lot to be done in this field. In 2020, the light-weighted products enabled us to save more than 8,400 tons of CO_2 (Scope 1 and 2).

We have many other internal initiatives in place for the reduction of our carbon footprint, such as the use of more cullet, the *Wattless* programme to reduce electricity consumption, the lightweight programme, the photovoltaic investments in our plants, the selection of greener energy providers, among others.

M&A

The second half of the year was intense as regards M&A, since several options were and continue to be explored. These options arose from the continued work we have carried out in the last few years.

PRODUCTION ton



PEOPLE

OUR PEOPLE AND THE PANDEMIC

The year 2020, undoubtedly, surprised the whole of humanity, forcing it to change all its plans and priorities, and at BA, it was not different. The challenge of leading people in such circumstances forced our teams to reinvent themselves and to prove their capacity to do the unthinkable, with a single common purpose: to continue to produce 24 hours a day, 365 days a year, whilst preserving the health of all BA people.

We had to get "back to basics": communicating the small daily things; conceiving different schedules and work rotations according to each circumstance; assuring that our work environment would remain safe under any conditions; managing unforeseen events without counting on the immediate presence of colleagues from other geographies; and managing the energy, motivation, and emotions of people that were sometimes focused and concerned with external factors, such their families' well-being.

Being part of the food and beverages supply-chain, our workers knew, from the beginning, that they would need to continue to work on-site whilst a large part of the world was at home. COVID-19 contingency plans were set to minimise the threat to our people and our business, and, in mid-February, we triggered the internal procedure "Performance in case of pandemic risks" with four levels of intervention which are currently in place, simultaneously (prevention, action on suspected or confirmed cases, response to severe absenteeism, and communication). A Pandemic Risks Monitoring Team was also formed, with multidisciplinary people to track down cases and act fast. Top management's engagement in the decisions and communication was the key to the effectiveness of all these measures.

> "BEING PART OF THE FOOD AND BEVERAGES SUPPLY-CHAIN, OUR WORKERS KNEW, FROM THE BEGINNING, THAT THEY WOULD NEED TO CONTINUE TO WORK ON-SITE WHILST A LARGE PART OF THE WORLD WAS AT HOME. "

"Collaboration" was the main word in these challenging times, and all the teams were available to help and substitute colleagues when needed. This was visible in the absenteeism rate, where, even with the absences due to COVID-19 infections or quarantines, we saw a slight decrease compared with the previous year.

Besides the daily direct talks, corporate communication was reinforced. The CEO's communication with all employees became more frequent, making sure that everyone was adequately informed about the Group's situation (concerning COVID-19 measures, people infected, and business performance); the most relevant internal means of corporate communication (BA Spot – internal portal, and BA App), were reinforced with daily news about BA and general information about the pandemic; additionally, the external communication channels were boosted, namely BA's LinkedIn and Instagram pages, sharing with all stakeholders some relevant information about BA, but particularly about sustainability, the role of glass for a better future, and the role of each one of us, as consumers.

At the same time, we were focused on basic things, and we developed our team skills and tools more than ever! The challenge of improving efficiency in operations and support departments didn't diminish. The implementation of digitalisation projects which allows our people to work differently, creating new roles, and enriching their responsibilities had to be boosted even further during the year. The pandemic showed us what we already knew: the dependence on people's presence, knowledge, and memory can compromise our activity; and the glass industry needs to continue to transform itself.

OUR ACTIVITIES DURING THE PANDEMIC

Most of our people-related activities had to be adapted due to COVID-19 restrictions, digital became a constant reality for training, benchmarking and meetings, among others. Physical proximity was replaced by online proximity, but the final goals remained the same and we had some very interesting outcomes.

The BA Academy continues to be one of our flags to develop people, and 2020 was not different. However, we did see a considerable decrease in the number of training hours (40% less) due to the difficulties in gathering people to do in-person training. This constraint was also an opportunity to change our training methods, and several online training sessions were done or are being developed to ensure that the sharing of knowledge will be possible even at a distance.

The PAD (People Assessment and Development) tools firmly implemented were used, and new methodologies regarding the potential assessment were tested. The development and Fast Forward plans were adjusted taking into account the pandemic status but were concluded with success, and the succession plans were not endangered. We can even state that as far as team leadership, developing the capability to make decisions, and managing stressful situations are concerned, 2020 was a year of exponential development.

The benchmarking across plants and geographies, which is so characteristic of our BA Way, was not so visible due to COVID-19 travel restrictions. However, our teams did develop new ways of reaching their partners, enriching their knowledge, and sharing experiences. We did not stop our expat policy as a way of developing people, and, in 2020, the number of people moved from their original geography increased in relation to the previous year.

We maintained our usual employer branding programmes, although most of them were done online. In general, the voluntary turnover decreased across all BA plants, except for Bucharest, where the labour market continues to bring us enormous challenges. In Portugal, BA was awarded as the 2nd best employer in this industry sector, which made us proud and gave us the motivation to work towards the 1st position soon and to achieve similar recognitions in all other BA countries.

We continue to believe that the BA Internship Programmes are among the best ways to attract young professionals and support the younger generations' education, making this process a win-win situation. In 2020, the programme was not as intense since, due to COVID-19 restrictions of permanence in the plants, it was carried out with fewer trainees and part of it at a distance.

The Annual Management Meeting, a unique opportunity to align and focus our teams on the priorities for the coming year, took place under the motto "up to you". Although it was a virtual session, local workgroups were created, maintaining the possibility of sharing and "getting together".

"What will the future bring after COVID-19?'" is asked today, thousands of times. However, this is not a very good question. The circumstances are similar for all, but the achievements will be different. Even under uncertainty, we can create our future, but a lot of strength and commitment is needed. What do we want our future to be like? What strong foresight can we develop? What have we learned and what can we improve? How can we lead a digital transformation? These were the questions debated during the event attended by 200 people, in 20 locations.

Regarding safety, besides COVID-19 actions, the remaining measures to continue improving the work conditions and decrease the number of work accidents didn't stop. On the contrary, the pace at which additional protections were implemented and the people's awareness of safety requirements was higher than ever. The implementation of the Safety BA Way model created in the previous year began at full speed.

Safety Hubs – groups of multidisciplinary thinkers – were formed to carry out deeper studies of three of our biggest priorities: work in production machines, investment projects, and moving machines & people circulation. A Safety Committee was also created to follow-up closely all the safety actions, and the Executive Board members had the EB Safety walks, "leading by example" in safety, formally scheduled in their agendas.

Although training slowed down during the year, safety training didn't stop, and all the main sessions took place. Safety talks, safety walks, near misses' programmes, and many other programmes were set, and more than 200 actions were implemented across the whole organisation, as a result.

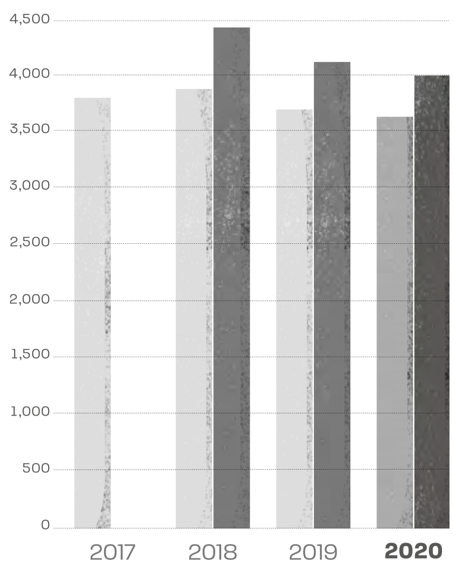
The year ended with 28 accidents of minor severity, a record at BA since its expansion outside Iberia. However, our goal has not been achieved yet, since our target is to achieve zero accidents, and it is what we will continue to work for.

Regarding social responsibility, as a multinational company, present in several countries, BA believes it has a role to play in the development of the communities through education. For that, the Group, highly committed to its shareholders, decided to increase its support of more educational projects for the younger generations, with the belief that education is a powerful tool for transformation, crucial to building a better future. The BA Glass Seeds programme was created, based on four pillars: **(i)** education for the foundations, ensuring equal educational opportunities; **(ii)** education for work, promoting the connection between schools and companies; **(iii)** education for the future, supporting the development of skills for the future; and **(iv)** education for the planet, stimulating environmentally friendly behaviours and actions. Under this framework, various organisations were approached, and several projects are being analysed in order to build the roadmap for 2021.

The year ended with 3,992 Full-Time Equivalent employees (a new metric in use since 2019 to report both internal and external employees working inside BA's facilities), 3,2% less than the previous year, mostly due to the optimisation and digitalisation projects.

NUMBER OF EMPLOYEES

EMPLOYEES FTE



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.

Despite the COVID-19 impact, we ended 2020 with sales 0,8% above 2019, and we were able to keep all our plants running. This increase, together with the very positive evolution of the energy prices in all divisions, brought a 2.3 pp improvement in our EBITDA.

Regarding costs, we maintained our tight cost control, but we are still facing pressures in Southeast Europe labour costs, in CO2 prices and, we must highlight, a significant increase in insurance costs.

At the beginning of the year, the shareholders decided to attribute a special bonus of EUR 8.5 million to our employees, as a recognition for their contribution to company value creation in the last couple of years with the successful integration of the companies that were acquired.

Depreciation increased 3,9% in 2020, after 3 furnace rebuilds and a new furnace built in the last 2 years.

Operating cash-flow (EBITDA) amounted to EUR 328.1 million, EUR 24.9 million higher when compared to the previous year. The EBITDA margin was 35.2%, increasing 2.4 pp when compared to the previous year.

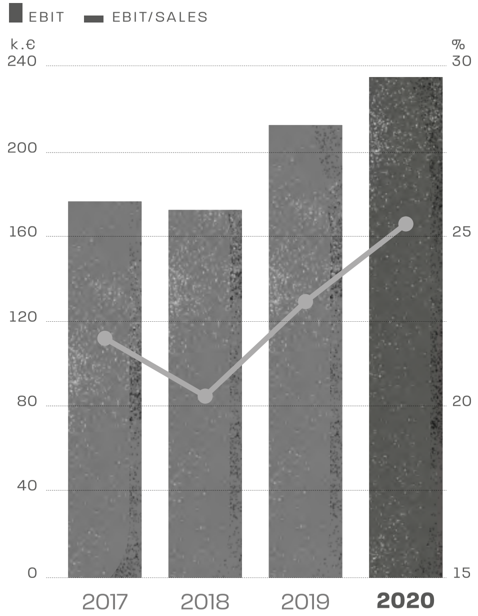
Operating profit (EBIT) amounted to EUR 236.1 million, equivalent to 25.4% of sales, EUR 22.9 million, and 2.3 pp higher than in 2019.

Net tangible assets turnover was 1.59, 1.9% lower than in 2019 (1.62), reflecting the stabilisation of sales in 2020.

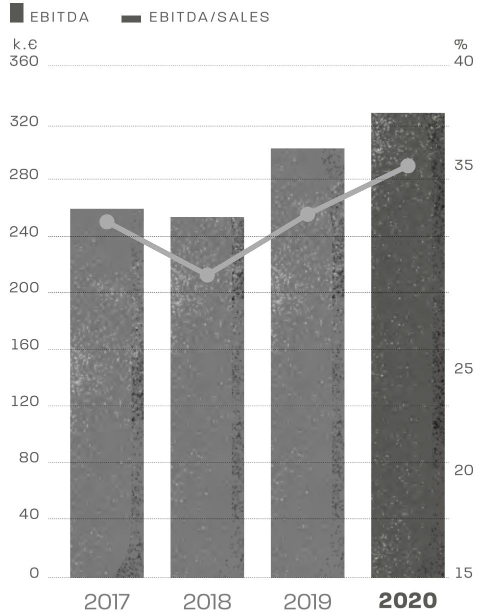
The financial results amounted to a loss of EUR 14.6 million (compared to a loss of EUR 21.7 million last year). The impact of Anchor Glass participation incorporated into the consolidated accounts by the equity method was positive in 2020 (EUR 0.9 million against a negative EUR 8.8 million in 2019), reflecting the good results of the Group in a very challenging year. Financial results were also positively affected by a decrease of EUR 3.1 million in interests, a direct result of lower debt, and a decrease in the average interest rate. On the negative side, we have to emphasise a EUR 5.5 million negative impact in exchange rate differences, with a volatile Polish zloty.

Profit before taxes amounted to EUR 221.5 million, 15.7% higher than the previous year (2019: EUR 191.4 million), and the net profit totalled EUR 183.5 million, 26.6% higher than the previous year (2019: EUR 145.0 million).

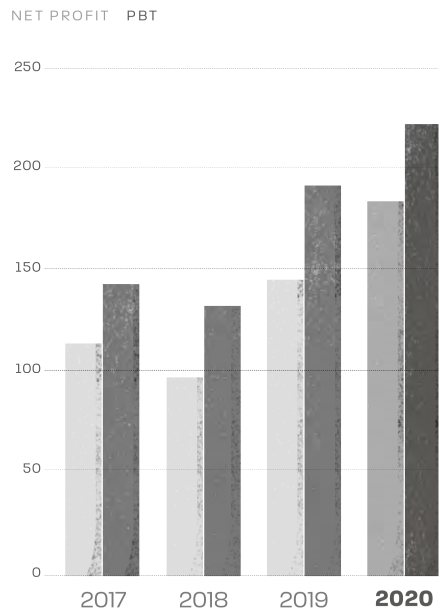
EBIT/SALES



EBITDA/SALES



NET PROFIT k.€



FINANCIAL ANALYSIS
At the end of 2020, the consolidated net assets were at EUR 1.532 million (2019: EUR 1.474 million).

Working capital at the end of the year reached 14.6% of sales, EUR 21.8 million lower than the previous year, despite the 0.8% turnover increase.

The total liabilities were at EUR 815.3 million, EUR 54.5 million less than the previous year, and the Group's net debt amounted to EUR 401.2 million (2019: EUR 532.9 million).

The leverage ratio ended the year with a value of 1.2 (2019: 1.8) and the Group's equity ratio reached 46.8% (2019: 41.0%) of total assets. It is important to highlight a net debt reduction of EUR 132 million in a year of significant investments (EUR 112 million), demonstrating the cash conversion ability and financial robustness of the Group, and its readiness to continue growing.

COVID-19
The COVID-19 outbreak took over all our businesses and lives like a blast, completely changing our normality, and it will certainly stay with us for a while longer. The impacts of COVID-19 are immense and diverse: lockdowns, quarantines, travel restrictions, business closures, home office, among many others, are now a part of our daily

routine. This has a significant impact on economic activity, on our customers' activities and, consequently, on our production. The wide European lockdown in the second quarter was repeated at the end of the year, and, although vaccines are now a reality, there is still no clear understanding of when these COVID-19 disruptions will end.

BA had to reinvent itself to adjust to the new reality and to be able to cope with our stakeholders' expectations, even if this meant implementing complex changes without being prepared for them. We are much better prepared now than we were in March to cope with the "new normal" and even to adapt to every "new normal" that is still to come.

Health and Safety are our priority and all our actions place the safety of our people, customers, and suppliers in first place. We have enhanced all our hygiene procedures, redesigned our internal layouts, adapted shifts, restricted visitors, cancelled all non-essential travelling, among others, to avoid unnecessary contact and contain the virus.

All our departments have a set contingency plan which can be readily adapted to different realities. We have taken adequate measures to avoid or contain internal contaminations, to keep our furnaces running with fewer workers because of quarantines, to handle a significant amount of people working from home, to maintain commercial relationships with customers and suppliers without travelling, among many others.

We reinforced our liquidity by increasing the maturity of some loans and negotiating some additional lines. The reinforcement of liquidity, together with the cash-generating capacity of our business, gives us the power to deal with the uncertainty we are having to face.

In the countries where we operate, the glass packaging industry is considered essential, thus our operations have not been affected by the mandatory lockdowns. And, although some segments have been severely impacted by COVID-19, there are other segments where the market is increasing and where the scarce demand challenges are mitigated.

Thanks to all the measures we have taken, we will continue to supply our customers, whilst aiming to provide an even better service.

ACKNOWLEDGMENTS

The Board of Directors wishes to thank, firstly, all the employees of the Group who, with their hard work, creativity, enthusiasm, dedication, and commitment have enabled us to grow the business, create value for our customers and shareholders, and thank them for being part of the 2020 accomplishments, another year of many records. This was a very particular year, where the trust among all was fundamental in keeping our teams safe and able to continue serving our customers. Without everyone, we would never have achieved such good results.

We would also like to express our extreme gratitude to our customers, for their preference and trust in a very uncertain environment and for their quality-related demands, which have been the critical drivers in BA's quest for excellence and differentiation. They continue to be the driving force behind our strive for more growth and investment.

To our suppliers, for their commitment and service without fail, allowing us to continue our operations and the development of many projects we had on hand.

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

We have also benefitted from the cooperation of banks and other financial institutions with which the Group has worked throughout the year, and which have been supporting our ambitions and projects. Without them, we would not be able to continue investing and growing.

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

A final word to all the consumers who continue to rate glass as their favourite packaging material for the food and beverages they provide to their families and friends, choosing glass as a sustainable and healthy option.

BUSINESS RISKS

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

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

KEY ELEMENTS OF OUR RISK MANAGEMENT FRAMEWORK

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

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

The main risks are discussed and agreed upon by the Executive Board and the BAFC and are cascaded down to the business units (top-down) that 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 risk likelihood and impact, and the development and monitoring of appropriate internal controls. We keep risk registers detailing the risks we face, this being an important component of how we manage our risks.

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

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

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
COVID-19	COVID-19	COVID-19 pandemic outbreak and measures to prevent its spread may impact our business in several ways, as the global economy will suffer a severe impact, most probably impacting consumer demand and subsequently the products we manufacture. It may also adversely affect our ability to operate our business, including potential disruptions on our supply chain and workforce. Liquidity and borrowing costs may also be affected. The significance of the impact of these disruptions on our financial and operational results will depend on the duration of the COVID-19 and the impact of governmental regulations which may be imposed in response to the pandemic.	Being integrated into the food and beverage industry (considered essential for the economic activity of the countries we work in) may mitigate some of the constraints related to COVID-19 governmental measures. The safety and wellbeing of our colleagues and customers have been and continue to be our overriding priority. The Executive Board is monitoring events closely with regular Board oversights evaluating the impacts and devising appropriate response strategies. The availability of cash resources and committed divisions together with a strong cash flow, support BA Glass's liquidity and longer-term viability. Our teams are working tirelessly to implement specific actions to adjust our production reality in these challenging times. Our business continuity and crisis management plans have been mobilised in all plants and head-offices and additional measures have been implemented including line changes (with the necessary investments), securing additional supply chain capacity to meet demand changes, implementing changes to the normal functioning (including hours, additional security, hygiene, and social distancing measures), and extending support to colleagues and customers under increased risk.
CUSTOMERS	CUSTOMER HABIT RISK	A significant change in the preferences of the final consumer may ultimately lead to the disappearance of brands from the market, for which the Group produces glass containers. Customer concentration could also have a significant impact on the Group, in terms of business volume and profit.	BA Glass strives to diversify its customer and market portfolios. In 2020, our 30 biggest customers accounted for 52% of total sales, and levels of concentration for any given customer below that which could represent a high risk for the continuity of the business. A significant part of these big customers are multinational companies with presence/operations in several countries which mitigates the impact of some of the changes in consumption habits.

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
MARKETS	GLASS PACKAGING INDUSTRY EVOLUTION	The Group's business depends intrinsically on the level of consumption of glass packaging in the markets, the level of confidence of economic players in that market, and on the products' life cycle. The constant and growing innovation and development of new solutions/alternatives to glass packaging is also a factor that can add uncertainty to the customers and markets where the Group operates.	BA Group's customers include some of the world's leading companies in the Wine, Spirits, Food, Beer, and Soft drinks segments, highly-reputed in their local markets and across borders. The Group's exposure to this risk is mitigated by the variety l of customers, segments, and products it works with. Additionally, its geographical diversification minimises the potential impact that an unfavourable evolution of a given market could bring. The glass packaging industry has proved its resilience to macro-economic cycles and, in some segments, it has even experienced a slight growth during periods of economic recession.
	RISKS RELATED TO THE COMPETITION	The Group's main competitors are Owens-Illinois, Verallia, Vidrala, Ardagh, among others with a small presence in the market. The Group faces significant competition from these glass container producers, as well as from the manufacturers 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. Certain decisions made by competitors could result in an excessive capacity in some countries, leading to significant price pressure in the packaging market, and, subsequently, to a strong impact on profitability.	Innovation and product development are the Group's two major challenges, and the strong focus on these aspects is what enables it to remain competitive. In 2020, BA Group developed 286 new products and launched 97 new products onto the market. In a continuous effort to maintain the technology of its operations at the industry's forefront, in order to satisfy and even anticipate market needs, the Group investments regularly in refurbishments and in its operating structure, so much so that are significantly above the industry's average, always aiming for superior quality and flexibility levels. The rising international exposure that the Group has been pursuing also allows it to seek new markets, thus diluting the competitive pressure felt in some of the markets where BA Glass operates.
SUPPLY	RISKS RELATED TO SUPPLIERS	Should some of the Group's main suppliers of raw materials declare bankruptcy, or experience a lack of capacity to respond to the Group's needs, or experience quality problems, or any other incident that could disrupt its business, BA's operations could be significantly impacted, leading to additional costs or even the impossibility to manufacture.	The Group has built a large supply base in different countries for its raw materials, materials for production support, and other equipment. Our 20 biggest suppliers accounted for 31% of the total consolidated purchases in 2020. 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.
	RISKS RELATED TO ENERGY PRICES AND POWER CUTS	Risks related to energy prices and power cuts - Natural gas and electricity supplies are vital to BA Glass's operational activity. These sources of energy represent, on average, 18% of the Group's total costs. A substantial increase in the energy price could boost the Group's operational costs, causing 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 inability to manufacture in the affected plants.	Risks related to energy prices and power cuts - The natural gas contracts have an underlying formula that allows for the adjustment of the price in accordance with the variation in the parameters which influence the gas price in the international markets (the exchange rate EUR/USD and the price of brent). It is not the Group's policy to take out risk coverage contracts against energy price variations – thus the Group is exposed to the market's positive or negative variations. However, part of the energy price variation is reflected in the sales price, sometimes with a time delay. In the countries where it operates, the Group has signed contracts with its suppliers which guarantee uninterrupted energy supplies. Additionally, contingency plans are in place to ensure that the production units will function for a set period of time until the power supply is resumed.

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
OPERATIONS	RISKS RELATED TO OPERATIONAL STOPPAGE	The glass packaging manufacturing process is capital-intensive and requires the uninterrupted use of furnaces and other special equipment. The stoppage of a furnace, in order to perform an unplanned or extraordinary repair, will impact significantly the operational results of the Group, due to both the repair 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 an accident.
	RISKS RELATED TO INORGANIC GROWTH	As part of its growth strategy, the Group has acquired other companies and intends to continue doing so, but this can entail risks such as: · inaccuracy of business plans and subsequent valuation of the Group based on assumptions which may prove to be incorrect, especially concerning 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 unfavourable conditions; · the increase in the Group's debt to finance these acquisitions or refinance the debts of the acquired companies.	All acquisition projects are analysed within several scenarios, including the most pessimistic, to evaluate their impact on the target companies and establish realistic boundaries for their valuation. Strategies are designed to overcome these worst-case scenarios from the beginning of the acquisition in a way that all necessary measures will be taken to minimise 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 in order to gain a more thorough knowledge of the business and take into account all the relevant variables when analysing new acquisition opportunities.
ENVIRONMENT	RISKS RELATED TO ESG	Environmental, Social and Governance risks include those related to climate change impact mitigation and adaptation, environmental management practices and duty of care, working and safety conditions, respect for human rights, anti-bribery and corruption practices, compliance with relevant laws and regulations, among others, and may have a significant impact on the business. Our strategy to address these kinds of risks could be ineffective and damage BA Glass's and our customers' reputations, causing business losses, undervaluation, and difficulty in attracting long-term investors.	Environmental sustainability is one of our key priorities. In 2020, we took very significant steps towards being Carbon Neutral. We already have in place a process for full measurement of our carbon footprint and we have defined our roadmap towards carbon neutrality. At the beginning of the year, we joined the Science-Based Targets Initiative, as a way of assuming a public commitment to these targets.

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
SOCIAL	RISKS RELATED TO HEALTH AND SAFETY	Failure to meet safety standards as regards 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, whilst we identify continuous improvement opportunities to further embed controls.	BA Glass has established a 'Safety Hub' programme in all its plants as a key tool to promote the employee's good behaviour at all levels, and Health and Safety as a priority within the whole Group. A Safety Committee was also created, with monthly meetings and with direct Executive Board involvement to assure the spread of good practices and the proper focus on all internal and external entities.
PEOPLE	RISK OF LOSING TALENTS	Failure to attract, retain and develop the required capabilities and to continue developing our company culture, will result in a negative 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 discussed regularly by Management and by the Executive Committee with regular oversights by the Board Nomination and Remuneration Committee. We have clear potential and performance criteria, as well as talent principles which are underpinned by our employee value proposition and strategy. The Remuneration Committee agrees on objectives and remuneration arrangements for senior management.
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 a negative impact on our reputation. Failure to build resilience at the time of investing and implementing new technology, which can results in a potential loss of operating capability.	Every year, we continue to enhance our technological infrastructure and resilience capabilities. This involves a significant investment in our hosting strategy, partnering with cloud providers, and re-engineering some of our legacy systems whilst 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.
CYBERSECURITY	RISK OF CYBERATTACKS	Risk of an external event such as terrorism, crime, violence, vandalism, theft, or cyberattacks, 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 protect sites, information, and people, complemented with outsourced monitoring and regular safety tests. A Group Security Manager coordinates all security activities globally in order to ensure efficient security risk mitigation. Additionally, there is a monthly follow-up of all cybersecurity themes by a Cybersecurity Committee, chaired by the CEO, and with the participation of the CFO, CTO, and CPO, which aims to run a continuous security threat monitoring programme and an optimised security programme for the Group.

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
FINANCE	RISKS RELATED TO CUSTOMER'S CREDIT	Given the worldwide economic context, the Group cannot rule out the possibility of having to disable one or more customers due to financial distress in order to honour contracts.	The management of credit risk related to customers and other receivables is carried out in such a manner that minimises the risk of non-receivables in the customers' portfolio. BA Glass has access to an international database of credit risk analysis which is used to define its credit policy and for further monitoring of possible changes in the risk of non-receivables from its customers. This information is complemented with the assessment of the customers' account managers. 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 to manage the credit of its customers on a recurring basis, because the BA Glass customer portfolio presents a very low probability of bad debt. In high-risk situations, namely with exports, BA Glass uses export letters of credit. The customer credit management policy has shown effectiveness in its results. In the last 5 years, bad debts represented less than 0.08% of the Group's consolidated sales.
	RISKS RELATED TO INTEREST RATES	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, since Management controls closely the Group's leverage by following carefully the level of Net debt/EBITDA, keeping it at conservative levels. The same applies to EBITDA/Interests levels, guaranteeing that they do not reach values that could risk the financial stability of the Group. Keeping these two indicators under strict control and below set limits lowers significantly the risk of interest rate fluctuations.
	RISKS RELATED TO FOREIGN EXCHANGE	The Group is exposed to exchange rate risks due to its share of sales and purchases in currencies other than the Euro. The changes that occur in the exchange rates can have an impact on the Group in terms of the direct competition of the subsidiaries in their markets as well as in the Group's balance sheet through the consolidation of subsidiaries with a currency other than the Euro.	The Group's activities performed in currencies other than the euro account for a small percentage of the total activity and almost all those transactions allow having natural hedging of cash flows between currencies. Sales other than Euro (in the subsidiaries) are 19% of total revenues and purchases account for 32% of total purchases (23% of total revenues). In Bulgaria, the stability of the exchange rate is very high, which decreases the impact on the Group's balance sheet by the consolidation of the companies based in this country.
	RISKS RELATED TO LIQUIDITY	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 maintain 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 biggest banks in the local markets where it operates, in order to create local relationships. There is a wide diversification of its debt portfolio to avoid an excessive dependency on any particular financial institution. The Group always keeps partially unused overdraft lines in order to face constraints that could arise from an unforeseen event.

AREA	RISK	DESCRIPTION	KEY CONTROLS AND MITIGATION FACTORS
POLITICAL, REGULATORY AND COMPLIANCE	RISKS RELATED TO THE INTERNATIONALITY OF THE BUSINESS	The internationalisation of the Group forces it to be exposed to the economic, political, fiscal, legal, and environmental risks of various countries.	The Group relies on the expertise of its financial, tax, legal, and labour teams which permanently analyse, monitor, and anticipate changes in the legislation and labour-related subjects of the various countries where the Group operates, making use of external specialised support to overcome the more complex matters, whenever needed. The Group's exports are generated mostly in European Union markets, mostly in countries where the Group already has ample experience on how to operate and where it knows the risk profile of its customers.
	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 analysed periodically by the Group's legal department. When necessary, and in accordance with the international accounting standards, provisions are created to overcome 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 structure of the Group.
	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 for 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. To minimise this risk, several simulations are carried out by BA Glass on a regular basis to test the emergency plans in the case of fire, unanticipated power cuts, and even glass leakage. The BA Group regards environmental issues as an integral part of its overall management, having implemented an Environmental Management System, certified according to ISO 14001 (except for the Gardelegen and Athens plants). The Gardelegen plant, in Germany, is certified by ISO 50001 - Energy Management Systems. On a daily basis, all plants of the Group are focused on minimising the environmental impact of their activities (reduction of air and noise pollution) and on the promotion of rational use of the resources by setting annual actions aimed at increasing glass recycling, rationalisation of water consumption, energy, and raw materials, as well as the weight reduction of the containers produced. It is imperative that we highlight the fact that all Group assets are insured by well-known insurance companies, offering a guarantee of solvability in case of an accident. BA Glass performs regular risk audits with the insurance companies in order to execute improvement plans and reduce property risk. In addition to this, BA Glass also has insurances that guarantee compensation in cases of business interruption, in order to minimise the impact of possible accidents.
	RISKS RELATED TO ENVIRONMENTAL LAWS AND REGULATIONS	Our operations are subject to extensive laws, regulations, and other legal requirements concerning environmental protection, namely waste disposal, material recycling, air emission limits, container reuse, among others. Such laws and regulations are also subject to constant reviews and may impact our market, supplies, production, and investments.	The Group has put together all the necessary procedures to be followed in the different locations, and these must be updated according to the local environmental laws and regulations, through a permanent and systematic consultation of any changes made in each relevant country. Besides this, the contact and permanent communication with our customers, suppliers, consultants, and glass industry associations also provide further means of cross-checking and making sure that we are in possession of the relevant updates.
	RISKS RELATED TO INDUSTRIAL INTELLECTUAL PROPERTY		The Group possesses all the necessary licenses for the use of all the technology and equipment needed in order to carry out its activity.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(AMOUNTS EXPRESSED IN EUROS)

ASSETS	Notes	Dec. 31, 2020	Dec. 31, 2019
NON CURRENT ASSETS			
Goodwill	11	**403,264,306**	412,711,468
Intangible assets	12	**23,601,308**	25,932,689
Property, plant and equipment	13	**586,274,947**	570,551,806
Investment in an associate	9	**4,803,356**	3,851,535
Other financial investments	15	**3,490,941**	3,574,342
Investment properties	14	**1,017,638**	1,234,100
Deferred tax assets	33	**13,130,986**	17,680,808
		1,035,583,482	**1,035,536,749**
CURRENT ASSETS			
Inventories	16	**125,722,314**	123,557,209
Trade receivables	17	**154,386,816**	175,676,251
Income tax	33	**10,809,240**	3,946,888
Other current debtors	18	**27,413,650**	23,334,175
Other current assets	19	**1,444,676**	1,325,780
Cash and short term deposits	20	**176,988,017**	110,681,322
		496,764,713	**438,521,626**
TOTAL ASSETS		**1,532,348,195**	**1,474,058,376**

EQUITY AND LIABILITIES	Notes	Dec. 31, 2020	Dec. 31, 2019
EQUITY			
Issued capital	21	**36,000**	36,000
Legal and other reserves		**51,294,921**	50,649,395
Retained earnings		**507,173,518**	421,179,172
Other components of equity		**(25,036,443)**	(12,627,984)
Profit for the year		**183,517,564**	144,994,346
Equity attributable to owners of the parent		**716,985,563**	**604,230,931**
TOTAL EQUITY		**716,985,563**	**604,230,931**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	22	**466,213,044**	480,900,635
Provisions	23	**4,576,724**	4,682,693
Government grants	27	**6,544,203**	9,210,544
Deferred tax liabilities	33	**21,603,726**	22,637,837
		498,937,697	**517,431,708**
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	22	**111,966,337**	162,709,175
Trade payables	24	**143,993,679**	141,348,399
Income tax payable	33	**6,073,538**	5,472,547
Other payables	25	**31,688,757**	23,655,500
Government grants	27	**2,343,687**	2,276,586
Other current liabilities	26	**20,358,936**	16,933,530
		316,424,935	**352,395,737**
TOTAL LIABILITIES		**815,362,631**	**869,827,445**
TOTAL EQUITY AND LIABILITIES		**1,532,348,195**	**1,474,058,376**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(AMOUNTS EXPRESSED IN EUROS)

	Notes	Dec. 31, 2020	Dec. 31, 2019
CONTINUING OPERATIONS			
Revenue			
Revenue from contracts with customers	28	**930,718,223**	923,016,455
Changes in stocks of finished goods		**3,447,957**	2,074,905
Other operating income	29	**6,777,225**	6,454,871
		940,943,405	**931,546,232**
OPERATING EXPENSES			
Raw materials and consumables used		**324,292,644**	360,477,492
Supplies and external services		**157,493,215**	151,216,816
Employee benefits expense	36	**124,858,662**	110,302,838
Depreciation and amortisation		**90,405,489**	86,984,182
Impairment	31	**1,542,194**	3,011,922
Other operating expenses	30	**6,240,414**	6,386,145
		704,832,617	**718,379,396**
OPERATIONAL CASH FLOW (EBITDA)*		**328,058,471**	**303,162,940**
OPERATING INCOME (EBIT)		**236,110,788**	**213,166,836**
Financial result	32	**(15,544,275)**	(12,962,188)
Share of profit (loss) of an associate	9	**941,576**	(8,771,504)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**221,508,089**	**191,433,144**
Income tax expense	33	**37,990,525**	46,438,798
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**183,517,564**	**144,994,346**
Discontinued operations		**-**	-
PROFIT FOR THE YEAR		**183,517,564**	**144,994,346**
ATTRIBUTABLE TO:			
Equity holders of the parent		**183,517,564**	144,994,346
EARNINGS PER SHARE			
BASIC	**34**	**5,097,71**	**4,027,62**
DILUTED	**34**	**5,097,71**	**4,027,62**

*EBITDA = EBIT + Depreciation/Amortisation + Impairment

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(AMOUNTS EXPRESSED IN EUROS)

	Dec. 31, 2020	Dec. 31, 2019
PROFIT FOR THE YEAR	**183,517,564**	**144,994,346**
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	**(12,525,311)**	(2,791,240)
Share of other comprehensive income of an associate	**334,434**	(356,130)
Others	**(217,582)**	(252,871)
NET OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**(12,408,459)**	**(3,400,240)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)		
Revaluation of land	**645,526**	11,507,031
NET OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**645,526**	**11,507,031**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(11,762,933)**	**8,106,791**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**171,754,632**	**153,101,136**
ATTRIBUTABLE TO:		
Equity holders of the parent	**171,754,632**	153,101,136

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(AMOUNTS EXPRESSED IN EUROS)

		Attributable to the equity owners of the parent							
	Notes	Issued capital	Legal and other reserves	Retained earnings	Foreign currency translation reserve	Other components of equity	Profit for the year	Total	Total equity
AS AT JANUARY,1 2019		36,000	39,142,364	350,893,854	(8,244,361)	(983,382)	95,285,318	476,129,794	476,129,794
Profit for the period		-	-	-	-	-	144,994,346	144,994,346	144,994,346
Other comprehensive income		-	11,507,031	-	(2,791,240)	(609,001)	-	8,106,790	8,106,790
Total comprehensive income		**-**	**11,507,031**	**-**	**(2,791,240)**	**(609,001)**	**144,994,346**	**153,101,136**	**153,101,136**
Dividends		-	-	(25,000,000)	-	-	-	(25,000,000)	(25,000,000)
Appropriation of prior year net profit		-	-	95,285,318	-	-	(95,285,318)	-	-
AT DECEMBER 31, 2019	**21**	**36,000**	**50,649,395**	**421,179,172**	**(11,035,601)**	**(1,592,383)**	**144,994,346**	**604,230,931**	**604,230,931**
AS AT JANUARY,1 2020		36,000	50,649,395	421,179,172	(11,035,601)	(1,592,383)	144,994,346	604,230,931	604,230,931
Profit for the period		-	-	-	-	-	183,517,564	183,517,564	183,517,564
Other comprehensive income		-	645,526	-	(12,525,311)	116,852	-	(11,762,933)	(11,762,933)
Total comprehensive income		**-**	**645,526**	**-**	**(12,525,311)**	**116,852**	**183,517,564**	**171,754,632**	**171,754,632**
Dividends		-	-	(59,000,000)	-	-		(59,000,000)	(59,000,000)
Appropriation of prior year net profit		-	-	144,994,346	-	-	(144,994,346)	-	-
AT DECEMBER 31, 2020	**21**	**36,000**	**51,294,921**	**507,173,518**	**(23,560,911)**	**(1,475,531)**	**183,517,564**	**716,985,563**	**716,985,563**

CONSOLIDATED STATEMENT OF CASH FLOWS

(AMOUNTS EXPRESSED IN EUROS)

	Notes	Dec. 31, 2020	Dec. 31, 2019
CASH FLOW STATEMENT - OPERATING ACTIVITIES			
Receipts from customers		**1,039,471,540**	1,024,130,267
Payments to suppliers		**(565,739,321)**	(585,584,095)
Payments to employees		**(124,618,575)**	(114,104,352)
CASH GENERATED FROM OPERATIONS		**349,113,644**	**324,441,820**
(Payment) / reimbursement of corporate income tax		**(40,527,863)**	(39,232,911)
Other proceeds / (payments) relating to the operating activity		**(20,789,467)**	(15,754,397)
CASH FLOW FROM OPERATING ACTIVITIES (1)		**287,796,315**	**269,454,512**
CASH FLOW STATEMENT - INVESTING ACTIVITIES			
Receipts from:			
Financial Investments		**-**	261,128
Fixed assets		**226,914**	361,657
Government grants		**155,906**	6,815,857
Other assets		**111,643**	-
		494,463	**7,438,642**
Payments related to:			
Financial Investments		**-**	(41,315)
Fixed assets	13	**(97,383,660)**	(120,834,937)
Other assets	12	**(5,642,600)**	(810,516)
		(103,026,260)	**(121,686,768)**
CASH FLOW FROM INVESTING ACTIVITIES(2)		**(102,531,797)**	**(114,248,126)**

	Notes	Dec. 31, 2020	Dec. 31, 2019
CASH FLOW STATEMENT - FINANCING ACTIVITIES			
Receipts from:			
Borrowings	22	**97,500,000**	76,236,964
Interests received		**19,946**	77,475
Dividends		**3,437**	13,193
Other financing activities		**29,794**	140,096
		97,553,176	**76,467,728**
Payments related to:			
Borrowings	22	**(146,007,505)**	(178,017,621)
Interest and similar expense	32	**(10,392,237)**	(12,958,870)
Dividends	21	**(59,000,000)**	(25,000,000)
		(215,399,743)	**(215,976,491)**
Cash flow from financing activities(3)		**(117,846,566)**	**(139,508,763)**
NET CASH FLOW VARIATION FOR THE YEAR (4)=(1)+(2)+(3)		**67,417,951**	**15,697,623**
NET FOREIGN EXCHANGE DIFFERENCES		**(1,111,257)**	**133,037**
CASH AND ITS EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**20**	**110,681,322**	**94,850,662**
CASH AND ITS EQUIVALENTS AT THE END OF THE PERIOD	**20**	**176,988,017**	**110,681,322**

NOTES TO THE CONSOLIDATED CASH-FLOW STATEMENT:

Cash		**57,608**	76,076
Short term bank deposits		**176,930,409**	110,605,246
CASH AND ITS EQUIVALENTS	**20**	**176,988,017**	**110,681,322**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial statements of BA Glass B.V. (hereinafter referred to as the "Company") and its subsidiaries (collectively, the Group) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 5 March 2021. 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 Prins Bernhardplein 200, 1097 JB Amsterdam. The objectives of the Company are to act as a holding and finance company. The Company is registered at the Dutch Chamber of Commerce with file number 34310991.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. GOING CONCERN AND COVID-19

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

The outbreak of the Coronavirus pandemic may affect negatively the economic conditions, both regionally and globally, disrupt operations situated in countries particularly exposed to the contagion. The ultimate severity of the Coronavirus outbreak remains uncertain at this time but is not expected to impact the going concern assumption.

The 2019/2020 coronavirus pandemic is an ongoing outbreak of coronavirus disease (COVID-19). The outbreak was first identified in China, in December 2019. The disease then spread worldwide in the first quarter of 2020 and, to date, it continues to spread.

All our departments have set contingency plans which are adaptable to different realities. We have taken adequate measures to avoid or contain internal contaminations, to keep our furnaces running with fewer workers because of quarantines, to handle a significant number of people working from home, to maintain commercial relationships with customers and suppliers without travelling, among many others.

The Group has implemented protective measures for its employees and has continued to operate during the lockdown periods. Presently, BA Glass remains fully operational and maintains strict safety measures in place.

Refer to Note 16 for further comments related to COVID-19's financial impact.

2.2. BASIS OF PREPARATION

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

The consolidated financial statements provide comparative information concerning the previous period.

The consolidated financial statements are presented in euros.

2.3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries over which it exercises decisive control of our control as at 31 December 2020.

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 control elements. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over 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 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 the 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 derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Business combinations and goodwill

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

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that, together, contribute significantly 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 organised 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 a 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 recognised at fair value on 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 recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent considerations that are not within the scope of IFRS 9 are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, with the excess of the aggregate of the consideration being transferred and the amount recognised 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 recognised on 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 recognised in profit or loss.

After the 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 these 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 groups– 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 operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit is retained.

b. Investment in associates

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

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

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

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

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

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

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

c. Current versus non-current classification

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

An asset is current when:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

d. Fair value measurement

Fair value is the price that would be received from the sale of 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 to the Group.

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

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

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

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

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

e. Revenue from contracts with customers

The Group is in the business of manufacturing and selling glass containers and glass products. Sales are recognised when the control of the products has been transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for these goods. The Group has concluded that it is acting as a principal in its revenue arrangements because it generally 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. For this reason, the Group does not adjust any of the transaction prices for the time value of the 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 the sale of glass products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

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

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for the transfer of 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 recognised 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- month 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 driven primarily by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for expected future rebates.

Contract Balances

Contract Assets

A contract asset is a 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 recognised 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 recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets
A 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
Refund liability is the obligation to refund some or all the considerations 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 the above accounting policy on variable consideration.

f. Government grants

Government grants are recognised 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 recognised 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 recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants in the form 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 recognised directly in equity is recognised in equity and not in the statement of profit or loss. The Board of Directors periodically evaluates positions taken in the tax returns concerning situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is calculated 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 recognised 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;
- Regarding 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 be reverted in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognised 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 utilised, 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;
- Regarding deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilised.

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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised 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 realised 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 recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised 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 recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to the goodwill (as long as it does not exceed the goodwill) if it was incurred during the measurement period or recognised 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 realise 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 recognised 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 recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included.

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

h. Foreign currencies

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

- **Transactions and balances**

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss except for monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised 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 recognised in other comprehensive income or profit or loss are also recognised 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 recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised 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 above.

	Closing rate		Average rate	
	2020	**2019**	**2020**	**2019**
POLISH ZLOTY (PLN)	**4,615**	4,259	**4,479**	4,273
NEW ROMANIAN LEU	**4,868**	4,783	**4,870**	4,777
LEV (BULGARIA)	**1,956**	1,956	**1,956**	1,956
AMERICAN DOLLAR (USD)	**1,171**	1,088	**1,121**	1,128

i. Cash dividend

The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of the Group, a distribution is authorised when it is approved by the Board of Directors and the shareholders of the Group. A corresponding amount is recognised 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 recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised 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 recognised 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 recognised after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount (usually, every 5 years a valuation is carried out). A revaluation surplus is credited to the assets' revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised 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 CONSTRUCTONS	20-50
PROPERTY, PLANT AND EQUIPMENT – PRODUCTION EQUIPMENT	7-9
PROPERTY, PLANT AND EQUIPMENT – OTHERS	3-20
TRANSPORT EQUIPMENT	4-12
TOOLS	3-15
ADMINISTRATIVE EQUIPMENT	3-15
PACKAGING	3-7
OTHER TANGIBLE ASSETS	3-15

An item of property, plant, and equipment and any significant part initially recognised is derecognised 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 derecognised.

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.

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.

The 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 recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises 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 recognised, 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 the caption "Property, Plant & Equipment".

ii) Lease liabilities

At the commencement date of the lease, the Group recognises 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 recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

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

l. Capitalisation of borrowing costs
Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised 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 conduction 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 derecognised either when they have been disposed of (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 recognised 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 the change in use. If the 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 the 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 amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised 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 amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, 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 derecognised 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.

Summary of the policies applied to the Group's intangible assets.

	Co_2 emission rights	Customer Relationship	Licences	Other intangibles
USEFUL LIFE	Indefinitive	Finite (13 years)	Finite (3-5 years)	Finite (3-5 years)
AMORTISATION METHOD USED	No amortisation	Amortised on a straightline basis	Amortised on a straightline basis	Amortised on a straightline basis

CO_2 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 recognised only when actual emissions exceed the emission rights granted and still held, and is measured at fair value.

The emission costs are recognised 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 is recorded as an intangible asset, at cost.

CO_2 allowances which the Group carries on its balance sheet are described in Note 12.

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

o. Financial instruments

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

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

- **Financial assets**

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised 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 amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised 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 amortised cost (debt instruments)***

This category is the most relevant to the Group. The Group measures financial assets at amortised 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 amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

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

Factoring
The credits ceded to factoring institutions without recourse, i.e., the risk of default is assumed by the factoring institution, are derecognised 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 Group, are not derecognised 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 recognised 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 recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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

- ***Financial assets designated 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 recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or 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 recognised 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 recognised 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 reclassification of a financial asset out of the fair value through the 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 derecognised (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 recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

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

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

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

- **Financial liabilities**

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

All financial liabilities are recognised 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.

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 recognised in the statement of profit or loss.

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

- ***Loans and borrowings***

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

Amortised 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 amortisation is included in finance cost in the statement or profit or loss.

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

- ***Trade payables***

Trade payables are initially recognised at the respective fair value and are subsequently measured at amortised cost.

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

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged, 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 recognised 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 recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

p. Derivative financial instruments and hedge accounting

Initial recognition and measurement
The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps, and forward commodity contracts, to hedge its foreign currency risks, interest rate risks, and commodity price risks, respectively. Such derivative financial instruments are initially recognised 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 recognised asset or liability or an unrecognised 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 recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised 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 recognised 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 recognised in the statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation 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 derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised 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 recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised 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 recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

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

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

Hedges of a net investment

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

q. Impairment of non-financial assets

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

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

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

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

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

Impairment losses of continuing operations are recognised 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 recognised 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 recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised 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 31 December) 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 recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

r. Inventories

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

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

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

The cost of the inventories includes:

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

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

s. Cash and short-term deposits

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

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

t. Equity items

Issued capital

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

Legal reserves

The balance comprises the amounts that, in accordance with the law are not available for distribution and may only be used to increase share capital or to cover losses.

Retained earnings

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

u. Provisions

General

Provisions are recognised 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 recognised 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 recognised as a finance cost.

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

The Group has committed itself to grant some of its former employees regular payments in lieu of a retirement pension and supplementary pension benefits. These 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 recognised net of tax in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. Past service costs are recognised 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 unrecognised past service costs.

- **Restructuring provisions**

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

v. Employee Benefits

- **Other employee benefits**

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

w. Earnings per share

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

x. Subsequent events

The Group recognises 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 recognise 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, standards and amendments which are effective for annual periods beginning on or after 1 January 2020. The Group has not adopted any other standard, interpretation, or amendment that has been issued but is not effective yet.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input, and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9, and IAS 39 Interest Rate Benchmark Reform (Issued 26 September 2019)

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place, and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities, and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

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

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

3.2. RECLASSIFICATION CHANGES

Starting in 2020, CO_2 costs are presented in caption "Raw materials and consumed used". As a consequence, the comparative figures in captions "Other operating expenses" and "Raw materials and consumed used" have been restated.

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 include:

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

Judgements
In the process of applying the Group's accounting policies, Management has made the following judgements, which have had a most significant effect on the amounts recognised in the consolidated financial statements:

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

- Determining method to estimate variable consideration and assessing the constraint

Some contracts for the sale of glass products include volume rebates and right of return related to returnable packaging, giving 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 include 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 it is appropriate to use a combination of the most likely amount method and the expected value method. The selected method that better predicts the amount of variable consideration was driven primarily by the number of volume thresholds contained in the contract. The most likely amount method is used for 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 considered whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained, based on its historical experience, business forecast, and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimations and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk 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 the 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 that may be beyond the control of the Group. Such changes will be reflected in the assumptions when they occur.

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

b. Recognition of provisions and impairments
The Group is party to legal proceedings which are running their course on account of which it judges whether to raise a provision for contingent legal expenses based on the opinion of its legal advisors (refer to Note 23).

Regarding years that are 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 on the financial statements.

c. Fair value of financial instruments
When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements 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. Refer to Note 9 for further disclosures.

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

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

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

Further details about pension obligations are provided in Note 35.

e. Estimating variable consideration volume rebates

The Group's expected volume rebates are analysed on a per-customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to a 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 it is appropriate to use a combination of the most likely amount method and the expected value method. The selected method that better predicts the amount of variable consideration was driven primarily by the number of volume thresholds contained in the contract. The most likely amount method is used for 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-annually and the refund liabilities 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 2020, the amount recognised as refund liabilities for the expected volume rebates was EUR 2,6 million (refer to Note 26).

f. Revaluation of land

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

g. Impairment of trade receivables and inventories

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments. (i.e., by geography).

In addition to the use of the provision matrix, the Board of Directors will all assess individual customers that may present impairment indicators based on a default event, external public information, or internal information passed on by the Sales department. In these instances, a specific impairment analysis will be performed on a case-by-case basis and the allowance will be determined individually. In such cases, the outcome resulting from the 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 analysed.

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

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

5. SUBSIDIARIES

The consolidated financial statements of the Group include:

SUBSIDIARY	Head office	Dec. 31, 2020	Dec. 31, 2019
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	Villafranca de Los Barros (Spain)	**100%**	100%
BA GLASS POLAND SP.Z.O.O.	Poznan (Poland)	**100%**	100%
BA GLASS GERMANY GMBH	Gardelegen (Germany)	**100%**	100%
MOLDIN, S.A.	Avintes (Portugal)	**100%**	100%
BA VIDRIO DISTRIBUCIÓN COMERC.ENVASES, S.A.	Mérida (Spain)	**100%**	100%
MINAS DE VALDECASTILLO, SAU	León (Spain)	**100%**	100%
BARBOSA & ALMEIDA, SGPS, S.A:	Avintes (Portugal)	**100%**	100%
BA VIDRO II MARINHA GRANDE, SGPS, S.A.	Avintes (Portugal)	**100%**	100%
ARTIVIDRO - ARTE EM VIDRO, LDA. (1)	Leiria (Portugal)	**87,5%**	87,5%
BA GLASS GREECE , S.A.	Athens (Greece)	**100%**	100%
HUTA SZKLANA HOLDING SP.Z.O.O (1)	Sieraków (Poland)	**82%**	82%
GLASSTANK, B.V.	Amsterdam (Netherlands)	**100%**	100%
GLASSINVEST LTD. (2)	Limassol (Cyprus)	-	100%
MGL MEDITERRANEAN GLASS LTD. (2)	Limassol (Cyprus)	-	100%
BA GLASS ROMANIA, S.A.	Bucurest (Romania)	**100%**	100%
CHELIANDA ESTATES LTD. (4)	Limassol (Cyprus)	**100%**	100%
LAND INTERNATIONAL PROPERTY S.R.L. (3)	Limassol (Cyprus)	**100%**	100%
BARECK OVERSEAS, LTD. (2)	Limassol (Cyprus)	-	100%
BA GLASS BULGARIA, S.A.	Sofia (Bulgaria)	**100%**	100%
IVA GLASS MANUFACTURERS, LTD. (4)	Limassol (Cyprus)	**100%**	100%
BELUXEN ENTERPRISES, LTD.	Limassol (Cyprus)	**100%**	100%
HELLENIC GLASS RECYCLING, S.A.	Athens (Greece)	**100%**	100%

(1) Companies were excluded from consolidation because they are dormant.
(2) Company was merged with Glasstank, B.V.
(3) Company was merged with BA Glass Romania, S.A.
(4) Company was dissolved during the year

These subsidiaries were consolidated through the full consolidation method.

Associate:

The Group has a 25% interest in Anchor Glass Container Corporation (2019: 25%).

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 entity. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and adjusts 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 these 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 to the objectives, policies, or processes for managing capital during the years ended 31 December 2020 and 2019.

7. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST

ACQUISITIONS

No acquisitions took place in both periods.

8. MATERIAL PARTY-OWNED SUBSIDIARIES

There are no subsidiaries with material non-controlling interests.

9. INVESTMENT IN AN ASSOCIATE

The Group has acquired a minority stake of 25% interest in the company Anchor Glass, a company based in the USA. The remaining 75% has been acquired by CVC Capital Partners. Anchor Glass is headquartered in Tampa, Florida, and is one of the three major producers of glass packaging in the United States. The company operates six manufacturing facilities in Florida, Georgia, Indiana, Minnesota, New York, and Oklahoma.

Anchor company is considered an associate. An associate is an entity over which the Group has significant influence – the power to participate in the financial and operating policy decisions of the investee, but no control or joint control over these policies. The Group has its place on the Company's Board of Directors.

The table below provides summarised financial information about Anchor Glass as at 30 September 2020 and 2019, since summarised financial information as at 31 December 2020 was not yet available when these financial statements were prepared. The information disclosed reflects the amounts presented in Anchor Glass' financial statements amended to show the adjustments made by the Group when using the equity method, including fair value adjustments and modifications for the purpose of homogenisation of accounting policies. In addition, and according to IAS 28, adjustments were made on significant transactions or events which may have taken place between 30 September 2020 and 31 December 2020.

*EUR in thousands

	Set. 30th, 2020	Set. 30th, 2019
TOTAL ASSETS	**851,641**	893,021
TOTAL LIABILITIES	**840,346**	885,987
EQUITY	**11,295**	**7,035**

*EUR in thousands

	Nine months ended 30th Sep., 2020	Three months ended 31 Dec., 2019	Set. 30th, 2020	Set. 30th, 2019
REVENUE	410,256	110,069	**520,325**	503,784
EBITDA	92,544	18,868	**111,411**	93,338
IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS		(892)	**(892)**	(3,546)
INTEREST EXPENSE, NET	(33,139)	(11,461)	**(44,600)**	(48,326)
OTHER EXPENSE (INCOME), NET	(50,130)	(12,022)	**(62,152)**	(76,552)
PROFIT FOR THE YEAR (CONTINUING OPERATIONS)	**9,274**	**(5,508)**	**3,766**	**(35,086)**
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS, NET OF TAX	1,544	(206)	**1,338**	(3,318)
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN THE SUBSEQUENT PERIODS, NET OF TAX	-	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**10,818**	**(5,714)**	**5,104**	**(38,404)**
GROUP'S SHARE OF PROFIT FOR THE YEAR (25%)	**2,319**	**(1,377)**	**942**	**(8,772)**
GROUP'S SHARE OF CHANGES IN EQUITY (25%)	**386**	**(52)**	**334**	**(830)**

During the year ended 31 December 2020 and 31 December 2019, the changes in investments accounted for using the equity method, were the following:

	Dec. 31, 2020	Dec. 31, 2019
OPENING NET ASSETS AS AT 1 JANUARY	**3,851,535**	**12,979,170**
PROFIT FOR THE YEAR	**941,576**	(8,771,504)
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS, NET OF TAX	**334,434**	(829,503)
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	**(324,189)**	473,373
CLOSING NET ASSETS AS AT 31 DECEMBER	**4,803,357**	**3,851,535**

10. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

The Group classifies its financial assets and financial liabilities into the following categories:

The financial assets and financial liabilities presented in the tables below, according to IFRS 13, are at Level 3 in the fair value hierarchy, except for the value of EUR 1,330,800 which has been included in other financial assets related to CO2 Forwards, which are at Level 1.

FINANCIAL ASSETS

	Note	Financial assets at amortised cost	Financial assets at FVOCI	Financial assets at FVPL	Total
TRADE RECEIVABLES	17	154,386,816	-		154,386,816
OTHER CURRENT DEBTORS	18	26,082,850		1,330,800	27,413,650
OTHER FINANCIAL ASSETS	15/19	4,935,618			4,935,618
CASH AND SHORT TERM DEPOSITS	20	176,988,017			176,988,017
TOTAL DECEMBER 31, 2020		**362,393,300**	**-**	**1,330,800**	**363,724,100**
TRADE RECEIVABLES		175,676,251			175,676,251
OTHER CURRENT DEBTORS		23,334,174			23,334,174
OTHER FINANCIAL ASSETS		4,900,122			4,900,122
CASH AND SHORT TERM DEPOSITS		110,681,322			110,681,322
TOTAL DECEMBER 31, 2019		**314,591,870**	**-**	**-**	**314,591,870**

FINANCIAL LIABILITIES

		Financial liabilities at amortised cost	Derivatives not used for hedging	Derivatives used for hedging	Financial Liabilities at Fair Value	Total
INTEREST - BEARING LOANS AND BORROWINGS	22	578,179,382	-	-	-	578,179,382
TRADE PAYABLES	24	143,993,679	-	-	-	143,993,679
OTHER PAYABLES	25	31,688,757	-	-	-	31,688,757
OTHER FINANCIAL LIABILITIES	26	16,454,135	-	-	3,904,801	20,358,936
TOTAL DECEMBER 31, 2020		**770,315,954**	**-**	**-**	**3,904,801**	**774,220,754**
INTEREST - BEARING LOANS AND BORROWINGS		643,609,810	-	-	-	643,609,810
TRADE PAYABLES		141,348,399	-	-	-	141,348,399
OTHER PAYABLES		26,268,922	-	-	-	26,268,922
OTHER FINANCIAL LIABILITIES		16,933,530	-	-		16,933,530
TOTAL DECEMBER 31, 2019		**828,160,661**	**-**	**-**	**-**	**828,160,661**

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

11. GOODWILL

As at 31 December 2020 and 31 December 2019, goodwill was made up as follows:

	Dec. 31, 2020	Dec. 31, 2019
COST		
IBERIA	**89,569,229**	89,569,229
POLAND	**98,472,402**	106,711,387
GERMANY	**13,889,718**	13,889,718
SOUTH EAST EUROPE	**209,678,320**	210,886,497
	411,609,669	**421,056,831**
IMPAIRMENT		
IBERIA	**(8,345,363)**	(8,345,363)
	(8,345,363)	**(8,345,363)**
NET BOOK VALUE	**403,264,306**	**412,711,468**

Changes in goodwill are as follows:

	Dec. 31, 2020	Dec. 31, 2019
OPENING BALANCE	**412,711,468**	413,449,924
ADDITIONS	**-**	-
FOREIGN EXCHANGE DIFFERENCES	**(9,447,162)**	(738,456)
CLOSING BALANCE	**403,264,306**	**412,711,468**

IMPAIRMENT TESTING OF GOODWILL

Goodwill has been allocated to the distinguishable Cash Generating Units (CGUs) (Iberian plants, Polish plants, German plant, and South-eastern Europe plants), for impairment testing purposes.

The Group performed its annual impairment test on 31 December 2020 and 31 December 2019.

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

Assumptions concerning 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 performances of the Group. The growth rates are the same as the long-term average growth rate for the markets in which the Group operates.

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

BUSINESS UNIT	2020	2019
IBERIA	**4,2%**	4,7%
POLAND	**5,2%**	5,8%
GERMANY	**3,8%**	4,2%
SOUTH EAST EUROPE	**5,9%**	6,6%

The tests performed at year-end 2020 and 2019 show that the 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 considerations of additional sensitivities of COVID-19 at year-end 2020.

KEY ASSUMPTIONS

The recoverable amount for the Group of CGUs mentioned previously was calculated 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 which the Group has;
- The sales growth forecasts are based on the combination of the annual change expected in the general consumer price indexes for each region, used as a reference to 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 the production capacity of each plant based on investment figures.
- Regarding the main components (raw materials and energy), which have a significant impact on the glass industry, Management considered an increase in prices based on data provided by our main suppliers, otherwise past raw material and energy price movements would have been used as indicators of future price movements;
- The capital expenditure plans used in the impairment test of goodwill are in line with the projections approved by the Board.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

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

Due to the COVID-19 outbreak, we have extended our sensitivity analysis from 1% to 2%.

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

ASSUMPTION	Discount rate	Perpetuity growth rate
Δ	+2%	-2%
IBERIA	No impairment	No impairment
POLAND	No impairment	No impairment
GERMANY	No impairment	No impairment
SOUTH EAST EUROPE	No impairment	No impairment

12. INTANGIBLE ASSETS

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

	CO2 emission rights	Customer relationship	Licences	Other	Total Amount
COST					
BALANCE AS AT JANUARY 1, 2020	**920.220**	**31.899.951**	**1.065.048**	**1.216.684**	**35.101.902**
RECLASSIFICATION (GROSS UP)	240.627	694.051	1.198.177	(87.193)	2.045.662
FOREIGN EXCHANGE DIFFERENCES	-	(293.866)	(1.498)	(88.007)	(383.371)
ADDITIONS	5.642.600	-	-	27.250	5.669.850
DISPOSALS	-	-	-	-	-
TRANSFERS/ RELEASE TO P&L	(5.323.769)	-	-	-	(5.323.769)
BALANCE AS AT DECEMBER 31, 2020	**1.479.678**	**32.300.135**	**2.261.727**	**1.068.733**	**37.110.273**
AMORTIZATION AND IMPAIRMENT					
BALANCE AS AT JANUARY 1, 2020	**-**	**7.156.939**	**878.524**	**1.133.750**	**9.169.213**
RECLASSIFICATION (GROSS UP)	-	711.294	1.338.629	(4.259)	2.045.664
FOREIGN EXCHANGE DIFFERENCES	-	(182.843)	54.312	(75.456)	(203.988)
AMORTISATION CHARGE OF THE YEAR	-	2.507.814	(9.738)	-	2.498.076
DISPOSALS	-	-	-	-	-
TRANSFERS	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2020	**-**	**10.193.204**	**2.261.727**	**1.054.035**	**13.508.965**
NET BOOK VALUE AS AT DECEMBER 31, 2020	**1.479.678**	**22.106.932**	**0**	**14.698**	**23.601.308**

	CO2 emission rights	Customer relationship	Licences	Other	Total Amount
COST					
BALANCE AS AT JANUARY 1, 2019	**783.461**	**32.241.945**	**1.095.659**	**1.206.895**	**35.327.960**
FOREIGN EXCHANGE DIFFERENCES	924	(341.993)	(30.308)	9.788	(361.589)
ADDITIONS	7.656.800	-	45.267	-	7.702.068
DISPOSALS	-	-	(45.571)	-	(45.570)
TRANSFERS/ RELEASE TO P&L	(7.520.964)	-	-	-	-
BALANCE AS AT DECEMBER 31, 2019	**920.220**	**31.899.951**	**1.065.048**	**1.216.684**	**35.101.902**
AMORTIZATION AND IMPAIRMENT					
BALANCE AS AT JANUARY 1, 2019	**-**	**4.749.326**	**916.917**	**1.131.447**	**6.797.691**
FOREIGN EXCHANGE DIFFERENCES	-	(149.124)	(28.186)	2.303	(175.007)
AMORTIZATION CHARGE OF THE YEAR	-	2.556.737	35.363	-	2.592.100
DISPOSALS	-	-	(45.571)	-	(45.571)
TRANSFERS	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2019	**-**	**7.156.939**	**878.524**	**1.133.750**	**9.169.213**
NET BOOK VALUE AS AT DECEMBER 31, 2019	**920.220**	**24.743.012**	**186.524**	**82.934**	**25.932.689**

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

The CO2 emission rights balance represents the emission rights purchased over and above the emissions for the year.

Licenses are predominantly related to computer software.

13. PROPERTY, PLANT, AND EQUIPMENT

	Land	Buildings	Equipment	Transport equipment	Administrative equipment	Other fixed assets	Fixed assets under construction	Right of use	Total amount fixed assets
BALANCE AS AT DECEMBER 31, 2019	**96,291,053**	**243,846,539**	**1,005,500,934**	**3,150,131**	**11,121,492**	**12,968,925**	**29,860,348**	**19,424,035**	**1,422,163,459**
RECLASSIFICATION (GROSS UP)	2,055,163	(1,392,022)	(4,005,557)	32,921	2,733,404	4,696,837	(1,027,846)	(1)	3,092,898
BALANCE AS AT JANUARY 1, 2020	**98,346,216**	**242,454,517**	**1,001,495,377**	**3,183,052**	**13,854,896**	**17,665,762**	**28,832,502**	**19,424,034**	**1,425,256,357**
FOREIGN EXCHANGE DIFFERENCES	(433,194)	(3,633,671)	(11,775,763)	(24,259)	(520)	(111,423)	(105,730)	(119,237)	(16,203,796)
ADDITIONS	344,058	4,203,736	66,522,585	164,986	2,054,129	1,177,937	29,953,330	5,993,062	110,413,824
DISPOSALS/WRITE OFF	(345,145)	(5,432,987)	(3,861,787)	(293,053)	(43,658)	-	-	(393,453)	(10,370,084)
REVALUATION	796,946	-	-	-	-	-	-	-	796,946
TRANSFERS/OTHER ADJUSTMENTS	-	1,364,845	18,332,520	-	-	-	(19,697,395)	-	(29)
BALANCE AS AT DECEMBER 31, 2020	**98,708,882**	**238,956,440**	**1,070,712,932**	**3,030,725**	**15,864,848**	**18,732,276**	**38,982,707**	**24,904,407**	**1,509,893,217**
DEPRECIATION AND IMPAIRMENT									
BALANCE AS AT DECEMBER 31, 2019	**-**	**114,659,463**	**703,982,576**	**2,539,539**	**10,456,273**	**12,758,425**	**-**	**7,215,377**	**851,611,652**
RECLASSIFICATION (GROSS UP)	-	4,084,223	(4,900,978)	35,297	(789,449)	4,663,805	-	(1)	3,092,898
BALANCE AS AT JANUARY 1, 2020	**-**	**118,743,686**	**699,081,598**	**2,574,836**	**9,666,824**	**17,422,230**	**-**	**7,215,376**	**854,704,550**
FOREIGN EXCHANGE DIFFERENCES	-	(1,209,787)	(8,835,522)	(21,710)	(16,916)	138,575	-	(16,007)	(9,961,368)
DEPRECIATION CHARGE OF THE YEAR	-	8,595,985	73,497,931	240,359	436,809	1,090,096	-	4,046,233	87,907,413
DISPOSALS/WRITE OFF	-	(5,349,120)	(3,069,594)	(259,432)	(43,658)	-	-	(297,681)	(9,019,485)
TRANSFERS/OTHER ADJUSTMENTS	-	-	(224,505)	2,073	-	222,405	-	(12,813)	(12,840)
IMPAIRMENT LOSSES	-	-	-	-	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2020	**-**	**120,780,764**	**760,449,907**	**2,536,126**	**10,043,059**	**18,873,306**	**-**	**10,935,108**	**923,618,270**
NET BOOK VALUE AS AT DECEMBER 31, 2020	**98,708,882**	**118,175,676**	**310,263,025**	**494,599**	**5,821,789**	**-141,030**	**38,982,707**	**13,969,299**	**586,274,947**

	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, 2019	**84,495,766**	**246,608,990**	**939,108,186**	**3,291,035**	**10,894,685**	**12,931,799**	**12,302,392**	**6,844,832**	**1,316,477,685**
FOREIGN EXCHANGE DIFFERENCES	(577,681)	(1,270,101)	7,711,352	(79,943)	(84,826)	(14,526)	-	(1,253)	5,683,022
ADDITIONS	-	5,208,320	77,480,357	9,821	328,883	51,653	31,489,452	2,653,334	117,221,820
DISPOSALS/WRITE OFF	(61,415)	(374,734)	(31,611,051)	(70,782)	(17,250)	-	-	-	(32,135,232)
REVALUATION	14,916,163	-	-	-	-	-	-	-	14,916,163
TRANSFERS/OTHER ADJUSTMENTS	(2,481,780)	(6,325,936)	12,812,090	-	-	-	(13,931,496)	9,927,122	-
BALANCE AS AT DECEMBER 31, 2019	**96,291,053**	**243,846,539**	**1,005,500,934**	**3,150,131**	**11,121,492**	**12,968,925**	**29,860,349**	**19,424,035**	**1,422,163,459**
DEPRECIATION AND IMPAIRMENT									
BALANCE AS AT JANUARY 1, 2019	**-**	**112,873,648**	**654,601,689**	**2,129,900**	**9,534,978**	**12,252,265**	**-**	**-**	**791,392,480**
FOREIGN EXCHANGE DIFFERENCES	-	(1,342,077)	8,133,837	(73,310)	393,958	399,633	-	420	7,512,461
DEPRECIATION CHARGE OF THE YEAR	-	7,404,441	72,353,939	552,891	544,586	106,527	-	3,275,130	84,237,514
DISPOSALS/WRITE OFF	-	(336,724)	(31,106,889)	(69,942)	(17,250)	-	-	-	(31,530,805)
TRANSFERS/OTHER ADJUSTMENTS	-	(3,939,826)	-	-	-	-	-	3,939,826	-
IMPAIRMENT LOSSES	-	-	-	-	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2019	**-**	**114,659,462**	**703,982,575**	**2,539,539**	**10,456,272**	**12,758,425**	**-**	**7,215,377**	**851,611,652**
NET BOOK VALUE AS AT DECEMBER 31, 2019	**96,291,053**	**129,187,076**	**301,518,358**	**610,593**	**665,219**	**210,500**	**29,860,349**	**12,208,658**	**570,551,806**

During 2020 and 2019, no borrowing costs were capitalised.

Assets under construction included, as at 31 December 2020, amounts related to investments to be made in the rebuilding of furnaces in Portugal and the construction of warehouses in Bulgaria.

REVALUATION OF LAND

The Group engaged an external appraiser to assess fair values as at 31 December 2020 for its land in Poland, and an increase of EUR 0.8 million in the revaluation value was identified. A net gain of EUR 0.6 million was recognised in OCI.

In 2019, the subsidiary BA Glass Bulgaria carried out a valuation of its land and there was an adjustment to the market value of EUR 2,7 million related mainly to the land belonging to Ambalaj, an entity which merged with BA Glass Bulgaria during this year. The Group has also performed a global valuation of its land in Portugal and Spain where an increase of EUR 12.3 million was identified. This valuation was performed by an external appraiser and the increase was related mainly to the increase in the value of the Spanish assets by EUR 9.2 million.

RIGHT-OF-USE

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

GROSS ASSETS	Land	Buildings & other constructions	Transport equipment	Other fixed assets	Total
BALANCE AS AT JANUARY 1, 2020	**2,481,780**	**10,686,986**	**2,968,284**	**3,286,984**	**19,424,034**
FOREIGN EXCHANGE DIFFERENCES	-	(83,466)	(17,885)	(17,885)	(119,237)
ADDITIONS	-	3,446,007	803,211	1,743,844	5,993,062
DISPOSALS/WRITE OFF	-	(89,717)	(106,016)	(197,719)	(393,453)
REVALUATION	-	-	-	-	-
TRANSFERS/OTHER ADJUSTMENTS	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2020	**2,481,780**	**13,959,810**	**3,647,593**	**4,815,223**	**24,904,407**
DEPRECIATION AND IMPAIRMENT					
BALANCE AS AT JANUARY 1, 2020	**-**	**5,432,585**	**895,720**	**887,071**	**7,215,376**
FOREIGN EXCHANGE DIFFERENCES	-	(11,205)	(2,401)	(2,401)	(16,007)
DEPRECIATION CHARGE OF THE YEAR	-	1,572,713	1,075,861	1,397,659	4,046,233
DISPOSALS/WRITE OFF	-	(59,498)	(85,190)	(152,993)	(297,681)
TRANSFERS/OTHER ADJUSTMENTS	-	-	-	(12,813)	(12,813)
IMPAIRMENT LOSSES	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2020	**-**	**6,934,595**	**1,883,990**	**2,116,523**	**10,935,108**
NET BOOK VALUE AS AT DECEMBER 31, 2020	**2,481,780**	**7,025,215**	**1,763,604**	**2,698,700**	**13,969,299**

GROSS ASSETS	Land	Buildings & other constructions	Transport equipment	Other fixed assets	Total
BALANCE AS AT JANUARY 1, 2019	**-**	**3,184,099**	**1,907,847**	**1,752,887**	**6,844,833**
FOREIGN EXCHANGE DIFFERENCES	-	(1,522)	(44)	313	(1,253)
ADDITIONS	-	59,067	1,060,481	1,533,785	2,653,333
DISPOSALS/WRITE OFF	-	-	-	-	-
REVALUATION	-	-	-	-	-
TRANSFERS/OTHER ADJUSTMENTS	2,481,780	7,445,341	-	-	9,927,121
BALANCE AS AT DECEMBER 31, 2019	**2,481,780**	**10,686,985**	**2,968,284**	**3,286,985**	**19,424,035**
DEPRECIATION AND IMPAIRMENT					
BALANCE AS AT JANUARY 1, 2019	**-**	**-**	**-**	**-**	**-**
FOREIGN EXCHANGE DIFFERENCES	-	(103)	260	263	420
DEPRECIATION CHARGE OF THE YEAR	-	1,492,862	895,460	886,809	3,275,131
DISPOSALS/WRITE OFF	-	-	-	-	-
TRANSFERS/OTHER ADJUSTMENTS	-	3,939,826	-	-	3,939,826
IMPAIRMENT LOSSES	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2019	**-**	**5,432,585**	**895,720**	**887,072**	**7,215,376**
NET BOOK VALUE AS AT DECEMBER 31, 2019	**2,481,780**	**5,254,400**	**2,072,564**	**2,399,913**	**12,208,659**

14. INVESTMENT PROPERTIES

	Dec. 31, 2020	Dec. 31, 2019
GROSS ASSETS		
BALANCE JANUARY 1, 2020	**2,001,415**	**5,327,013**
INCREASES	-	-
FOREIGN EXCHANGE DIFFERENCES	**(7,799)**	1,517
DECREASES	**(151,273)**	(3,327,115)
BALANCE 31 DECEMBER	**1,842,343**	**2,001,415**
DEPRECIATION		
BALANCE JANUARY 1, 2020	**767,315**	**1,416,974**
INCREASES (CURRENT DEPRECIATION)	**57,391**	154,567
FOREIGN EXCHANGE DIFFERENCES	-	-
DECREASES	-	(804,226)
BALANCE DECEMBER 31, 2020	**824,705**	**767,315**
NET VALUE AS AT DECEMBER 31, 2020	**1,017,638**	**1,234,100**

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

Investment properties are depreciated through their estimated useful lives (20 years).

During 2019, the investment properties in Spain, comprising a building and land in Xinzo de Limia, were sold at a loss of EUR 2.0 million. This loss was not forecast previously because the Group had no signs of its impairment up to the moment that an interested party made an offer for its acquisition.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties, nor repairs, maintenance, and enhancements. As at 31 December 2020, BA does not have enough reliable information to disclose the fair value of investment properties, but it is estimated that the fair value is higher than the book value.

15. OTHER FINANCIAL INVESTMENTS

Changes in other financial assets are the following:

	Dec. 31, 2020	Dec. 31, 2019
AT JANUARY 1, 2020	**3,574,342**	**4,175,736**
ADDITIONS	-	23,718
DISPOSALS	**(22,218)**	-
IMPAIRMENT LOSS/REVERSAL	**(64,638)**	(791,668)
RECLASSIFICATION/OTHERS	-	(4,854)
FOREIGN EXCHANGE DIFFERENCES	**3,456**	171,409
AT DECEMBER 31, 2020	**3,490,941**	**3,574,342**

Other financial investments are comprised mainly of a stake (EUR 2.0 million) in an innovation fund, in Portugal.

16. INVENTORIES

DESCRIPTION	Dec. 31, 2020	Dec. 31, 2019
RAW MATERIALS AND CONSUMABLES	**29,324,397**	28,387,431
FINISHED GOOD AND WORK IN PROGRESS	**105,149,449**	96,394,693
GOODS FOR RESALE	**714,416**	999,438
	135,188,262	**125,781,562**
IMPAIRMENT	**(9,465,947)**	(2,224,353)
	125,722,314	**123,557,210**

Quality of stock is reviewed periodically, and non-conforming stock is destroyed immediately. The increases/decreases of the period are recognised as an expense in the caption "Change in stocks of finished goods". The increase in the year is explained by the increase in inventories of finished goods, as a consequence of COVID-19.

17. TRADE RECEIVABLES

DESCRIPTION	Dec. 31, 2020	Dec. 31, 2019
TRADE RECEIVABLES	**160,313,924**	179,650,242
NOTES RECEIVABLES	**3,832,880**	4,876,712
	164,146,804	**184,526,954**
IMPAIRMENT	**(9,759,988)**	(8,850,703)
	154,386,816	**175,676,251**

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

Trade receivables increase mainly due to the effect of increased sales.

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

DESCRIPTION	Dec. 31, 2020	Dec. 31, 2019
AT JANUARY 1, 2020	**8,850,703**	**8,231,650**
CHARGES OF THE YEAR	**946,869**	930,520
UNUSED AMOUNTS REVERSED	**(2,678)**	(247,029)
FOREIGN EXCHANGE DIFFERENCES	**(34,906)**	(64,438)
AT DECEMBER 31, 2020	**9,759,988**	**8,850,703**

As at 31 December, the aged trade receivables analysis is the following:

	Total	Not due net of impairment	Past due net of impairment				
			< 30 days	30-60 days	61-90 days	91-120 days	> 120 days
2020	**154,386,816**	**143,052,966**	**10,806,908**	**827,570**	**646,770**	**(99,457)**	**(847,942)**
2019	175,676,251	156,203,539	13,466,088	4,124,732	(243,647)	926,596	1,198,943

18. OTHER CURRENT DEBTORS

	Dec. 31, 2020	Dec. 31, 2019
STATE AND OTHER STATE ENTITIES	**24,329,647**	18,184,596
FINANCIAL INSTRUMENTS	**1,330,800**	-
OTHER	**1,753,203**	5,149,579
	27,413,650	**23,334,174**

The carrying amount of "State and other state entities" includes EUR 24.3 million (EUR 18.1million in 2019) related to VAT connected with the normal business operations of the Group, which had already been claimed back from the different tax jurisdictions and is following a normal recovery procedure.

The amounts presented in the caption "Financial Instruments" relate to CO2 forwards which are entered so as to economically hedge current CO2 liability, designated at FVTPL (refer to Note 10).

19. OTHER CURRENT ASSETS

	Dec. 31, 2020	Dec. 31, 2019
ACCRUED INCOME	**206,635**	155,772
DEFERRED COSTS - INSURANCES	**1,194,110**	1,034,180
OTHER	**43,931**	135,828
	1,444,676	**1,325,780**

20. CASH AND SHORT-TERM DEPOSITS

	Dec. 31, 2020	Dec. 31, 2019
CASH ON HAND	**57,608**	76,076
BANK BALANCE	**176,930,409**	110,605,246
TOTAL CASH ON HAND AND BANK BALANCE	**176,988,017**	**110,681,322**
NOT AVAILABLE FOR USE	**-**	-
TOTAL CASH AND CASH EQUIVALENTS	**176,988,017**	**110,681,322**

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

21. EQUITY

As at 31 December 2020 and 2019, the Group's share capital, totalling EUR 36 thousand was fully subscribed and paid up.

The following table details the Group's shareholding structure, as at 31 December 2020 and 31 December 2019:

	Dec. 31, 2020		Dec. 31, 2019	
	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%

In 2020, a dividend of EUR 1,639 (2019: 694) per share was paid.

22. INTEREST-BEARING LOANS AND BORROWINGS

	Dec. 31, 2020	Dec. 31, 2019
INTEREST BEARING LOANS AND BORROWINGS		
NON - CURRENT	**466,213,044**	480,900,635
CURRENT	**111,966,337**	162,709,175
	578,179,382	**643,609,810**
CASH AND BANK LOANS		
CASH	**57,608**	76,076
BANK DEPOSITS	**176,930,409**	110,605,246
	176,988,017	**110,681,322**
NET DEBT	**401,191,365**	**532,928,488**

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

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

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

	Short term	Long term	Total Debt Dec.31, 2020	Total Debt Dec.31, 2019
BANK LOANS	47,083,033	183,557,581	**230,640,614**	148,848,537
BONDS AND COMMERCIAL PAPER	55,348,562	271,550,000	**326,898,562**	463,219,210
BANK OVERDRAFTS	836,513	-	**836,513**	13,034,406
OTHER LOANS	4,701,174	54,046	**4,755,220**	4,722,648
CASH AND BANK DEPOSITS	(176,988,017)	-	**(176,988,017)**	(110,681,322)
LEASE LIABILITIES	3,997,056	11,051,418	**15,048,474**	13,785,008
	(65,021,679)	**466,213,044**	**401,191,366**	**532,928,488**
FAIR VALUE OF INTEREST RATE DERIVATIVES	-	-	**-**	-
	(65.021.679)	**466.213.044**	**401.191.366**	**532.928.488**

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

All Group debt is secured with a Negative pledge (with some carve-outs and thresholds available), cross-default, and pari passu clauses.

No mortgages or pledges are in place as guarantee of honouring our obligations in any financing contract.

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

The Group has enough liquidity available to face possible negative movements in the financing markets. Debt is strictly controlled and some indicators are measured and monitored to assure a safe and solid financial structure. To guarantee financial stability, the key indicator used is the net debt/EBITDA ratio, which the Board follows strictly to ensure that it does not go beyond 4.0x.

The Group has ended the year with a net debt/EBITDA ratio of 1,22x, significantly lower than the debt levels advised by the Board of Directors.

22.1. MATURITY OF DEBT

MATURITY OF DEBT, EXCEPT LEASE LIABILITIES

2021	107,969,282
2022-2024	447,276,840
> 2025	22,933,261

23. PROVISIONS

	Retirement pensions (note 35)	Environmental liabilities	Others	Total
BALANCE AT JANUARY 1, 2020	**4,099,068**	**193,238**	**390,420**	**4,682,727**
FOREIGN EXCHANGE DIFFERENCE	(6,560)	-	(11,670)	(18,231)
UTILIZATION	(4,069,739)	-	(79,131)	(4,148,870)
INCREASE IN THE YEAR	3,996,242	-	-	3,996,242
OTHER ADJUSTMENTS (OCI)	94,123	-	-	94,123
OTHER	(29,267)	-	-	(29,267)
BALANCE AT DECEMBER 31, 2020	**4,083,866**	**193,238**	**299,619**	**4,576,724**

	Retirement pensions (note 35)	Environmental liabilities	Others	Total
BALANCE AT JANUARY 1, 2019	**4,262,691**	**193,238**	**339,110**	**4,795,039**
FOREIGN EXCHANGE DIFFERENCE	(4,868)	-	789	(4,079)
UTILIZATION	(1,266,429)	-	-	(1,266,429)
INCREASE IN THE YEAR	1,042,380	-	50,521	1,092,901
OTHER ADJUSTMENTS (OCI)	85,896	-	-	85,896
OTHER	(20,601)	-	-	(20,601)
BALANCE AT DECEMBER 31, 2019	**4,099,068**	**193,238**	**390,420**	**4,682,727**

Minas de Valdecastillo, SAU is liable for the restoration of land allocated to its mining operations, whose estimated value is EUR 193 thousand (refer to Note 38.2).

24. TRADE PAYABLES

The caption "Trade payables" as at 31 December 2020 and 2019 is made up as follows:

	Dec. 31, 2020	Dec. 31, 2019
TRADE PAYABLES - SUPPLIERS	**143,993,679**	141,348,399
	143,993,679	**141,348,399**

As at 31 December 2020 and 2019, this caption relates to balances resulting from purchases made in the normal course of the Group's business.

In 2019, the Group began the implementation of reverse factoring financing, allowing its suppliers to benefit from the lower cost of debt to which the Group has access to finance their operations and reduce the impact that the required terms for payment can have on their treasuries.

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

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

25. OTHER PAYABLES

	Dec. 31, 2020	Dec. 31, 2019
STATE AND OTHER STATE ENTITIES	**6,945,718**	9,432,656
FIXED ASSET SUPLLIERS	**22,523,909**	11,319,868
OTHER	**2,219,130**	2,902,975
	31,688,757	**23,655,500**

As at 31 December 2020, the caption "State and other state entities" includes an amount of EUR 2.6 million (2019: 2.7 million) on social security contributions related to December's payroll and personnel income taxes withheld amounting to EUR 879 thousand (2019: EUR 928 thousand), and VAT payable in the amount of EUR 3.4 million (2019: EUR 5.8 million).

The amount for fixed assets suppliers in 2020 and 2019 relates to balances resulting from investments in the Iberian and South-eastern Europe plants.

26. OTHER CURRENT LIABILITIES

	Dec. 31, 2020	Dec. 31, 2019
ACCRUED COSTS		
PAYROLL EXPENSES	**8,445,476**	7,855,389
FINANCE EXPENSES	**965,945**	1,280,922
BONUS GRANTED (RAPPEL)	**2,576,668**	1,463,291
CO2 LICENCES	**3,904,801**	-
OTHER	**3,457,355**	5,737,330
	19,350,245	**16,336,932**
DEFERRED REVENUE	**1,008,691**	596,597
	1,008,691	**596,597**
OTHER CURRENT LIABILITIES	**20,358,936**	**16,933,530**

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

The amount presented in CO2 licenses is related to 2020's deficit. The Group has celebrated forward contracts to cover this deficit.

27. GOVERNMENT GRANTS

Government grants have been received for the purchase of some items of property, plant, and equipment.

	Dec. 31, 2020	Dec. 31, 2019
AT JANUARY 1, 2020	**11,487,130**	**14,581,781**
FOREIGN EXCHANGE DIFFERENCE	**(146,705)**	-
RECEIVED DURING THE YEAR	**155,906**	-
RELEASED TO THE STATEMENT OF PROFIT OR LOSS	**(2,557,534)**	(3,767,746)
OTHER ADJUSTMENTS	**(50,908)**	673,094
AT DECEMBER 31, 2020	**8,887,890**	**11,487,130**

CURRENT	**2,343,687**	2,276,586
NON-CURRENT	**6,544,203**	9,210,544

There are no unfulfilled conditions or contingencies attached to grants.

28. REVENUE FROM CONTRACTS WITH CUSTOMERS

28.1 DISAGGREGATED REVENUE INFORMATION

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

DESCRIPTION	Iberia division	Central Europe division	South East Europe division	Inter-segment elimination	Total
GLASS PACKAGING	516,722,060	175,216,963	239,319,571	(540,371)	930,718,223
TOTAL DEC.31,2020	**516,722,060**	**175,216,963**	**239,319,571**	**(540,371)**	**930,718,223**
TOTAL DEC.31,2019	**507,726,670**	**183,779,654**	**231,804,164**	**(294,033)**	**923,016,455**

The total revenue from contracts with customers presented in the table above is recognised at a specific point in time.

There is no revenue recognised in 2020 (nor in 2019) related to performance obligations satisfied (or partially satisfied) in previous periods.

28.2. CONTRACT BALANCES

There are no contract balances related to revenue from customers.

28.3. RIGHT OF RETURN ASSETS AND REFUND LIABILITIES

	Dec. 31, 2020	Dec. 31, 2019
RIGHT OF RETURN ASSETS	**-**	-
REFUND LIABILITIES - ARISING FROM VOLUME REBATES	**2,576,668**	1,463,283

There are no right of return assets related to revenue from customers.

Refund liabilities arising from retrospective volume rebates are in accordance with the sales agreements 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.

28.4. PERFORMANCE OBLIGATIONS

SALE OF GLASS PACKAGING

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

29. OTHER OPERATING INCOME

DESCRIPTION	Dec.31, 2020	Dec.31, 2019
GOVERNMENT GRANTS	**2,557,534**	3,767,746
GAIN ON DISPOSAL OF ASSETS	**126,049**	39,401
INDEMNITIES	**811,354**	1,501,699
RENTALS	**90,589**	84,610
OWN WORK	**295,494**	73,994
EXCHANGE DIFFERENCES	**1,255**	351,935
REFUNDS ENERGY	**1,332,825**	-
OTHERS	**1,562,125**	635,486
	6,777,225	**6,454,871**

30. OTHER OPERATING EXPENSES

DESCRIPTION	Dec.31, 2020	Dec.31, 2019
TAXES	**2,933,179**	2,888,102
LOSS ON DISPOSAL OF ASSETS	**119,769**	158,425
EXCHANGE DIFFERENCES	**-**	162,107
OTHER	**3,187,465**	3,177,510
	6,240,414	**6,386,145**

31. IMPAIRMENT

DESCRIPTION	Dec.31, 2020	Dec.31, 2019
TRADE RECEIVABLES (NOTE 17)	**946,869**	931,250
OTHER	**595,326**	2,080,672
	1,542,194	**3,011,922**

32. FINANCIAL RESULTS

DESCRIPTION	Dec.31, 2020	Dec.31, 2019
INTEREST ON DEBTS AND BORROWINGS	**8,203,986**	11,315,062
DISCOUNTS GRANTED	**1,483,214**	1,349,622
OTHER FINANCE COSTS	**390,061**	780,669
FOREIGN EXCHANGE LOSSES ON INTEREST- BEARING LOANS AND BORROWINGS	**5,520,191**	3,317
FINANCE COSTS	**15,597,452**	**13,448,670**
INTEREST INCOME	**19,946**	77,549
OTHER FINANCIAL INCOME	**33,231**	408,933
FOREIGN EXCHANGE GAINS ON INTEREST- BEARING LOANS AND BORROWINGS	**-**	-
FINANCE INCOME	**53,176**	**486,482**
FINANCIAL RESULTS	**(15,544,275)**	**(12,962,188)**

Financial costs decreased during the year due to the decrease in debt.

33. INCOME TAX

The major components of income tax expense for the years ended 31 December 2020 and 2019, are the following:

DESCRIPTION	Dec.31, 2020	Dec.31, 2019
CURRENT TAX	**37,400,607**	41,670,397
ADJUSTMENTS IN RESPECT OF PREVIOUS YEAR	**(2,927,836)**	(319,890)
DEFERRED TAX	**3,517,753**	5,088,291
	37,990,525	**46,438,798**

Income tax for the years ended 31 December 2020 and 2019 is made up as follows:

DESCRIPTION	Dec.31, 2020	Dec.31, 2019
CURRENT INCOME TAX		
CURRENT INCOME TAX CHARGE	**37,400,607**	41,670,397
ADJUSTMENTS IN RESPECT OF CURRENT INCOME TAX OF PREVIOUS YEAR	**(2,927,836)**	(319,890)
DEFERRED TAX		
RELATING TO ORIGINATION AND REVERSAL TEMPORARY DIFFERENCES	**3,517,753**	5,088,291
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF PROFIT OR LOSS	**37,990,525**	**46,438,798**
DEFERRED TAX RELATED TO ITEMS RECOGNISED IN OCI DURING IN THE YEAR:		
REVALUATION PP&E	**151,420**	3,371,740
REMEASUREMENT (GAIN)/LOSS ON ACTUARIAL GAINS AND LOSSES	**-**	-
DEFERRED TAX CHARGED TO OCI	**151,420**	**3,371,740**

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

	2020		2019	
TAX JURISDICTION	**Nominal tax rate**	**Other additional rate**	**Nominal tax rate**	**Other additional rate**
PORTUGAL	**21.0%**	**1.5%-9%**	21.0%	1.5%-9%
SPAIN	**25.0%**	**-**	25.0%	-
POLAND	**19.0%**	**-**	19.0%	-
GERMANY	**15.0%**	**14%-17%**	15.0%	14%-17%
GREECE	**24.0%**	**-**	24.0%	-
BULGARIA	**10.0%**	**-**	10.0%	-
ROMANIA	**16.0%**	**-**	16.0%	-
NETHERLANDS	**19%-25%**	**-**	19%-25%	-

Reconciliation of tax expense and the accounting profit multiplied by BA Glass B.V.'s domestic tax rate for 2020 and 2019 is as follows:

RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT:	Dec.31, 2020	Dec.31, 2019
PROFIT BEFORE TAX	**221,508,089**	**191,433,144**
NOMINAL TAX RATE FOR THE PERIOD	**25%**	25%
AT STATUTORY INCOME TAX RATE (NOMINAL)	**55,377,022**	47,858,286
ADJUSTMENTS IN RESPECT OF CURRENT INCOME TAX OF PREVIOUS YEARS	**(2,927,836)**	(319,890)
TAX BENEFITS	**(5,260,692)**	(2,457,432)
SHARE OF RESULTS OF AN ASSOCIATE AND A JOINT VENTURES	**(235,394)**	2,192,876
EFFECT TAX RATE DIFFERENT (SUBSIDIARIES)	**(10,269,364)**	(6,644,427)
OTHERS	**1,306,788**	5,809,385
INCOME TAX EXPENSE	**37,990,525**	**46,438,798**
EFFECTIVE TAX RATE FOR THE PERIOD	**17.15%**	**24.26%**

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

All the deferred tax assets related to carry forward of unused tax losses are recognised.

As at 31 December 2020 and 31 December 2019, the amount related to corporate income tax payable presented in the balance sheet is EUR 6.1 million (2019: EUR 5.4 million).

As at 31 December 2020, the amount of corporate income tax recoverable relates to EUR 5.7 million from two payments made in 2013 and 2016 connected with an extraordinary settlement of tax litigation, in Portugal.

Despite the payments, the Group considers it probable that it will recover these amounts. In 2019, EUR 0.8 million were received as a result of a court case won by the Group.

DEFERRED TAX

DESCRIPTION	Dec.31, 2020	Dec.31, 2019
DEFERRED TAX ASSETS		
PROVISIONS FOR PENSIONS	**778,240**	955,530
ALLOWANCE FOR BAD DEBTS	**736,754**	530,161
TAX DEPRECIATIONS	**572,222**	608,932
GOODWILL	**550,638**	604,735
TAX REVALUATION OF TANGIBLE FIXED ASSETS	**4,831,267**	9,129,230
TAX LOSSES	**1,387,383**	621,046
IMPAIRMENT INVENTORIES	**2,461,339**	-
OTHERS	**1,813,143**	5,231,174
	13,130,986	**17,680,808**
DEFERRED TAX LIABILITIES		
UNIFORM DEPRECIATION CRITERIA (ADJUSTMENT OF USEFUL LIVES)	**3,722,059**	4,580,376
FAIR VALUE ADJUSTMENTS - LAND	**7,962,115**	8,212,570
FAIR VALUE ADJUSTMENTS - INTANGIBLE ASSETS	**3,505,434**	3,987,082
LIBERTAD DE AMORTIZACIÓN (DEPRECIATION DEDUCTION FISCAL BENEFIT)	**-**	123,804
TAX REVALUATION RESERVES OF TANGIBLE ASSETS	**3,918,093**	3,670,200
OTHERS	**2,496,025**	2,063,806
	21,603,726	**22,637,837**
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(8,472,741)**	**(4,957,029)**

In 2016, the subsidiary BA Glass Portugal recognised, for the first time, a deferred tax asset in accordance with tax revaluation tangible fixed assets under Portuguese specific legislation which came into force that year. The tax revaluation is subject to a special taxation of 14%, paid in three equal instalments during 2016, 2017, and 2018. The increase in depreciation resulting from the revaluation can be considered for tax purposes as part of the taxation period beginning in 2018 and for the following 8 years. The deferred taxes have been in use since 2018.

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

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

In the years ended 31 December 2020 and 2019, changes in deferred tax (net) were made up as follows:

RECONCILIATION OF DEFERRED TAX, NET	Dec.31, 2020	Dec.31, 2019
AS OF JANUARY 1, 2020	**(4,957,029)**	3,503,003
TAX INCOME/(EXPENSE) DURING THE PERIOD RECOGNISED IN PROFIT OR LOSS	**(3,517,753)**	(5,088,291)
TAX INCOME/(EXPENSE) DURING THE PERIOD RECOGNISED IN OCI	**(151,420)**	(3,371,740)
OTHERS	**153,460**	
AS AT DECEMBER 31, 2020	**(8,472,741)**	**(4,957,029)**

The amount recognised in OCI is related to the revaluation of land (refer to Note 12).

There are no income tax consequences attached to the payment of dividends by the Group to its shareholders in either 2020 or 2019.

34. EARNINGS PER SHARE

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

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent entity (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.

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

	Dec.31, 2020	Dec.31, 2019
PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:		
CONTINUING OPERATIONS	**183,517,564**	144,994,346
DISCONTINUED OPERATIONS	**-**	-
PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT FOR BASIC EARNINGS	**183,517,564**	**144,994,346**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**36,000**	**36,000**
EARNINGS PER SHARE		
BASIC	**5,097,71**	4,027.62
DILUTED	**5,097,71**	4,027,62

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

35. POST-RETIREMENT BENEFITS

	Dec.31, 2020	Dec.31, 2019
PORTUGAL	**1,272,811**	1,346,692
GREECE	**709,279**	942,133
BULGARIA	**1,953,225**	1,700,406
OTHER COMPANIES	**148,552**	109,838
	4,083,866	**4,099,069**

The subsidiary BA Glass Portugal is paying some pensioners a retirement pension plan with liabilities being calculated annually based on actuarial studies. This plan was suspended some years ago, so no new members will be joining it.

The subsidiary BA Greece has a defined benefit retirement plan, incurring from an obligation set out by law 2112/20, as amended by law 4093/12.

The subsidiary BA Bulgaria has a defined benefit retirement plan, incurring from its obligation set out by the Bulgarian labour law and the Collective Labour Agreement. Upon retirement, the Company pays its employees from two to seven gross monthly salaries, depending on the years of service.

The components of the retirement employee benefit expense recognised in the income statement and the liabilities recognised in the balance sheet as at 31 December 2020 and 2019 are summarised below:

	Dec.31, 2020	Dec.31, 2019
CURRENT SERVICE COST	**183,169**	160,774
INTEREST COST ON SERVICE OBLIGATION	**18,511**	43,324
NET BENEFIT EXPENSE	**201,679**	**204,099**

CHANGES IN PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATIONS:		
DEFINED BENEFIT OBLIGATION AT 1 JANUARY	**4,099,069**	**4,262,691**
INTEREST COST	**18,511**	43,324
CURRENT SERVICE COST	**183,169**	160,774
BENEFITS PAID	**(4,069,739)**	(1,266,429)
SETTLEMENT/CURTAILMENT/TERMINATION LOSS/(GAIN)	**3,794,562**	838,281
OTHERS	**8,131**	(27,984)
ACTUARIAL CHANGES ARISING FROM CHANGES IN DEMOGRAPHIC ASSUMPTIONS	**(24,977)**	114,712
ACTUARIAL CHANGES ARISING FROM CHANGES IN FINANCIAL ASSUMPTIONS	**119,100**	(36,639)
EXPERIENCE ADJUSTMENTS	**(35,840)**	10,270
EXCHANGE DIFFERENCES	**(8,118)**	69
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**4,083,866**	4,099,069

PENSION COST CHARGE TO PROFIT AND LOSS	**201,679**	**204,099**
REMEASUREMENT GAINS/(LOSSES) IN OCI	**94,123**	**85,896**

A valuation methodology, based on the "projected unit credit model". was determined by external parties and the following actuarial assumptions were used:

	2020			2019		
	Portugal	Greece	Bulgaria	Portugal	Greece	Bulgaria
DISCOUNT RATE	**0.38%**	**0.60%**	**0.60%**	1.50%	0.80%	1.00%
INFLATION RATE	**0.00%**	**1.25%**	**5.00%**	1.50%	1.75%	5.00%
PAY INCREASE	**0.00%**	**1.25%**	**5.00%**	0.00%	1.75%	5.00%

The Group does not have any outstanding plan assets or fund employee benefits.

36. EMPLOYEE BENEFIT EXPENSES

	Dec.31, 2020	Dec.31, 2019
SALARIES, WAGES AND SIMILAR	**95,791,899**	85,348,637
OTHER EMPLOYEE BENEFITS	**29,066,763**	24,954,201
	124,858,662	110,302,838

The average of Full Time Employee at December 31st, 2020 is 4.034 (4.251 at December 31st, 2019).

37. RELATED PARTY TRANSACTIONS

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

The key management personnel team comprises 20 people who are based in the Netherlands, as well as in all the other countries where the Group operates. Their compensation is limited to short-term benefits and includes deferred compensation linked to the Group´s performance in a three-year period. No other long-term employee benefits are offered by the directors. The Group does not have any share-based payment schemes and during the period no termination benefits were paid. Overall, the compensation of key management is in line with market and industry practices. Fixed compensation represents 50-60% of the total compensation.

38. ENVIRONMENTAL MATTERS

In the conduction of its business, the Group incurs a variety of expenses of an environmental management nature which, depending on their characteristics, are capitalised or recognised as operating expenses in its operating results for the reporting period.

38.1 CO_2 EMISSION RIGHTS

In 2013, a new allocation of CO2 emission rights programme began and lasted until 2020. In accordance with the new allocation rules, CO2 emissions rights were reduced until 2020.

In 2020 and 2019, the deficit of used versus free licenses was accounted for in the caption "Other raw materials and consumables used". This year, the Group's total emissions amounted to 980,8k tons (2019: 951,5k tons).

38.2 ENVIRONMENTAL RESTORATION EXPENSES

Minas de Valdecastillo, SAU carries a legal and constructive liability to restore land allocated to its mining operations which is estimated to amount to EUR 193 thousand (2019: EUR 193 thousand).

38.3 LIABILITY FOR ENVIRONMENTAL DAMAGES

The Group's subsidiaries operating in Portugal have contractual reserves under equity to comply with the provisions of Decree-Law no. 147/2008.

39. COMMITMENTS AND CONTINGENCIES

39.1 BANK GUARANTEES

Regarding Group Loans, as at 31 December 2020, the Group provided bank guarantees totalling EUR 52.1 million (2019: EUR 53.0 million). This figure includes a bank guarantee provided to the European Investment Bank ("EIB") as security for the financing of EUR 50.5 million (2019: EUR 52.5 million).

39.2 CONTINGENCIES

The Group has several outstanding tax matters/tax inspections with the Portuguese and Spanish Tax Authorities, as a result of additional tax settlements. No provision was accounted for in the financial statements since the Management Board believes that the likelihood of the Group incurring costs to settle these liabilities is remote. The Group has filed an objection to these tax adjustments in the courts of law.

The Group has accounted for EUR 5.7 million in the caption "Income tax" related to assets from an exceptional regularization of tax debts. This regularization regime applies to debts which are being challenged by the Group in Court, and which the Group believes that the likelihood of an unfavourable decision being delivered is very remote. Although the Group has paid out this amount, it does not mean that the Group will lose the court cases concerning the aforementioned debts.

These advance payments were made by BA Glass Portugal S.A. and BA Glass I - Serviços de Gestão e Investimentos, S.A..

40. FINANCIAL RISK

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Group is exposed to financial risks, such as interest rate risk, exchange rate risk, commodity price risk, credit risk, and liquidity risk.

The Board of Directors reviews and agrees on policies for managing each of these risks which are summarised below.

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, be they positive or negative, thus changing the Group's net worth.

Whilst carrying out its current activities the Group is exposed to a variety of financial risks that are liable to change its net worth. Depending on their nature, these risks can be grouped into the following categories:

— Market risk
  - Interest rate risk
  - Exchange rate risk
  - Other price risks

— Credit risk

— Liquidity risk

— Other risks

The management of the above-mentioned risks – risks which arise largely from the unpredictability of the financial markets – requires the careful application of a set of rules and methodologies approved by Management, with the ultimate objective of reducing 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 risk situations;
- 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 in market interest rates, thus 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 financings in Euros and Polish Zloty, all with variable interest rates. The Group believes that changes in the interest estimations have no material impact on its financial position.

INTEREST RATE SENSITIVITY:

The following table demonstrates the sensitivity to a probable change in interest rates on the portion of loans and borrowings that is affected.

With all other variables remaining constant, the Group's profit before tax is affected by the impact on float rate borrowings, as follows:

AMOUNTS IN EUR THOUSAND BASIS POINT	Increase/decrease in basis point	Impact in profit before tax
EUR	45	2.506
PLN	100	99
EUR	-45	0
PLN	-100	-99

All financing contracts in the EUR currency have floor clauses connected to the index, so a reduction in the index value will have no impact on the Group.

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 internationalisation of the Group forces it to be exposed to the exchange rate risk of the currencies of various countries. The Group is exposed, through its investments in subsidiaries, to the following currencies: PLN and RON.

To quantify the sensitivity to currency risk, using 2020 data, an average 5% depreciation of the PLN and RON currencies in a full year, ceteris paribus, would have an impact of approximately 3% on the Group's consolidated profit.

COMMODITY PRICE RISK

The Group's glass container operations require a continuous supply of significant amounts of energy, mostly natural gas and electrical power. Adequate supplies of energy are generally available at all of the Group's manufacturing locations. Energy costs typically account for 20-30% of the Group's total manufacturing costs, since the energy price can be very volatile as it depends on several uncontrolled factors such as oil and exchange rate fluctuations, inventories, and weather conditions, among others. Changes in the prices of energy can have a significant impact on the cash flow of the Group and its operating results.

In each country, the Group has agreements with suppliers to guarantee the continued supply of energy.

The Group follows the energy markets closely to access its evolution and take decisions on how to proceed, but by default, the Group's strategic option is not to hedge. Nevertheless, whenever it identifies good hedging opportunities, the Group proceeds with hedging by fixing prices.

In 2020, the Group celebrated four forward contracts to cover the CO2 deficit for the year and future emissions obligations. The agreements are effective as of 31 December 2020.

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 credit risk concerning its operating activity, namely customers, suppliers, and other accounts receivable and payable.

The management of credit risk concerning customers and other accounts receivable is carried out as follows:

- Compliance with policies, procedures, and controls established by the Group;
- Credit limits are established for all customers based on defined internal evaluation criteria;
- The credit quality of each customer is assessed based on the credit risk information received by specialised external companies;
- 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. The customer's credit quality is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are monitored regularly. The requirement for impairment is analysed at each reporting date on an individual basis for major customers.

Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on incurred historical data.

The Group evaluates the concentration of risk concerning trade receivables as low, since its customers are located in several jurisdictions and industries and they 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 disclosed in Note 10.

FACTORING

The credits ceded to factoring institutions without recourse, i.e., the risk of default is assumed by the factoring institution, are derecognised 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 Group, are not derecognised 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 recognised 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 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 maximising liquidity gains and minimising opportunity costs of retaining liquidity in a safe and efficient way.

The Group manages liquidity risk with the following objectives:

Liquidity – ensure permanent and efficient access to funds in order to fulfil commitments;

Safety – minimise the probability of not being able to fulfil its commitments; and

Financial efficiency – minimise the opportunity cost of retaining liquidity excess in the short-term.

The Group manages liquidity risk by safeguarding the contracting of financial instruments and different borrowings facilities with the appropriate amounts so as to fund the needs of each business and subsidiary, thereby ensuring comfortable levels of liquidity.

OTHER RISKS – COVID19

The COVID-19 outbreak took over all our businesses and lives like a blast, completely changing our normality and it will certainly stay with us for a while longer. The impacts of COVID-19 are immense and diverse: lockdowns, quarantines, travel restrictions, business closures, home office, among many others, are now a part of our daily routine. This has a significant impact on economic activity, on our customers' activity and, consequently, on our production.

All our departments have set contingency plans which are adaptable to different realities. We have taken adequate measures to avoid or contain internal contaminations, to keep our furnaces running with fewer workers because of quarantines, to handle a significant number of people working from home, to maintain commercial relationships with customers and suppliers without travelling, among many others.

We reinforced our liquidity by increasing the maturity of some loans and negotiating additional lines. The reinforcement of liquidity together with the cash generation capability of our business gives us the strength to deal with the uncertainties we face.

41. STRUCTURE OF THE MEMBERS OF THE BOARD

The Board is composed of 4 members:

- Rita Mestre Mira da Silva Domingues
- Luis Manuel Pinheiro Mendes
- Thecla Magdalena Anna Kamphuijs
- Intertrust (Netherlands) B.V.

42. FEES PAID TO THE STATUTORY AUDITORS

Audit fees are as follows:

AUDIT SERVICES	2020 amount	%	2019 amount	%
STATUTORY AUDIT SERVICES				
IBERIA	**101,525**	**31%**	106,025	31%
NETHERLANDS	**40,000**	**12%**	40,000	12%
CENTRAL EUROPE	**48,150**	**15%**	48,150	16%
SOUTH EAST	**141,500**	**43%**	134,000	41%
TOTAL	**331,175**		**328,175**	

The amounts disclosed are the amounts agreed on for the audit during the reporting period.

43. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that have been issued, but are 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.

IFRS 17 INSURANCE CONTRACTS
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance, and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

REFERENCE TO THE CONCEPTUAL FRAMEWORK – AMENDMENTS TO IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 so as to avoid the issue of potential 'day 2' gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

PROPERTY, PLANT, AND EQUIPMENT: PROCEEDS BEFORE INTENDED USE – AMENDMENTS TO IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant, and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1st January 2022 and must be applied retrospectively to items of property, plant, and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

ONEROUS CONTRACTS – COSTS OF FULFILLING A CONTRACT – AMENDMENTS TO IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS – SUBSIDIARY AS A FIRST-TIME ADOPTER

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 FINANCIAL INSTRUMENTS – FEES IN THE '10 PER CENT' TEST FOR DERECOGNITION OF FINANCIAL LIABILITIES

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

IAS 41 AGRICULTURE – TAXATION IN FAIR VALUE MEASUREMENTS

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued an amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have an impact on the Group.

44. EVENTS AFTER THE BALANCE SHEET DATE

After 31 December 2020, the Group has distributed dividends in the amount of EUR 230 million.

At the same time, in response to the COVID-19 pandemic that continues to affect 2021, BA had to reinvent itself to adjust to the new reality and to be able to cope with all stakeholders' expectations, even if this meant implementing complex changes without being prepared for them. We are now much more ready than we were in March 2020 to cope with this new normal and even to adapt to all additional new "normals" that are still to come. Health and Safety are our priority and all our actions place the safety of our people, customers, and suppliers, above all else. We have enhanced all our hygiene procedures, redesigned our internal layouts, adapted shifts, restricted the number of visitors, cancelled all non-essential travelling, among others, so as to avoid unnecessary contacts and thereby help contain the spread of the virus.

All our departments have set contingency plans which are adaptable to different realities. We have taken adequate measures to avoid or contain internal contaminations, to keep our furnaces running with fewer workers because of quarantines, to handle a significant number of people working from home, to maintain commercial relationships with customers and suppliers without travelling, among many others. We reinforced our liquidity, increasing the maturity of some loans and negotiating additional lines. The reinforcement of liquidity together with the cash generation capability of our business gives us the strength to deal with the uncertainties we face. In the countries where we operate, the glass packaging industry is considered essential, thus our operations have not been affected by the mandatory lockdowns. And, although some segments have been severely impacted by from COVID-19, there are other segments where the market is increasing and where the scarce demand challenges are mitigated.

Ernst & Young Accountants LLP
Cross Towers, Antonio Vivaldistraat 150
1083 HP Amsterdam, Netherlands
Postbus 7883
1008 AB Amsterdam, Netherlands

Tel: +31 88 407 10 00
Fax: +31 88 407 10 05
ey.com

Independent auditor's report

To: the shareholders of BA Glass B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements of BA Glass B.V., based in Amsterdam.
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BA Glass B.V. as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and standalone statement of financial position as at 31 December 2020
- The following statements for 2020: the consolidated and standalone statement of profit or loss, the consolidated statement of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The annual management report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the annual management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

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- 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
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 5 March 2021

Ernst & Young Accountants LLP

J. Lodewijks

Digitaal ondertekend door Jordy Lodewijks
DN: cn=Jordy Lodewijks, c=NL, o=Jordy Lodewijks, email=jordy.lodewijks@nl.ey.com
Datum: 2021.03.05 14:46:48 +01'00'

BA GLASS GROUP

NL
BA GLASS B.V.

100% **PT**
BA GLASS I
Serviços de Gestão e Investimentos

100% **PL**
BA GLASS POLAND
Sp. Z O.O.

100% **DE**
BA GLASS GERMANY
GmbH

100% **GR**
BA GLASS GREECE S.A.

25% **USA**
ANCHOR GLASS
Corporation

90.11% **PT**
BA GLASS PORTUGAL S.A.
[own shares 9.89%]

100% **NL**
GLASSTANK B.V.

100% **PT**
MOLDIN S.A.

100% **PT**
BARBOSA & ALMEIDA SGPS, S.A.

100% **ES**
BA GLASS SPAIN S.A.U.

100% **ES**
BA VIDRIO
Distribución y Comercialización de Envases de Vidrio, S.A.U.

100% **ES**
MINAS DE VALDECASTILLO S.A.U.

99,90% **RO**
BA GLASS ROMANIA S.A.
[own shares 0.10%]

100% **BU**
BA GLASS BULGARIA S.A.

SHAREHOLDERS STRUCTURE

BA GLASS B.V. SHAREHOLDERS	SHARES	% SHARE CAPITAL AND VOTING RIGHTS
Fim do Dia, SGPS, S.A. Company indirectly majority-owned by the Moreira da Silva family and by the Silva Domingues family	17,064	47.40%
Teak Capital, S.A. Company owned by the Moreira da Silva family	9,468	26.30%
Tangor Capital, S.A. Company owned by the Silva Domingues family	9,468	26.30%
TOTAL	36,000	100%

BA GROUP MACRO-STRUCTURE

BOARD OF DIRECTORS

EXECUTIVE BOARD

Market & Planning
Investments
Innovation & Development
People Development
Legal

Finance & Consolidation
Performance Management
Quality and H&S
Information Technologies
Strategic Procurement

Iberian Division

Central Europe Division

Southeastern Europe Division

PLANTS

Iberian Division	Central Europe Division	Southeastern Europe Division
Avintes	Jedlice	Athens
León	Sieraków	Bucharest
Marinha Grande	Gardelegen	Plovdiv
Venda Nova		Sofia
Villafranca		

GROUP CORPORATE BODIES

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

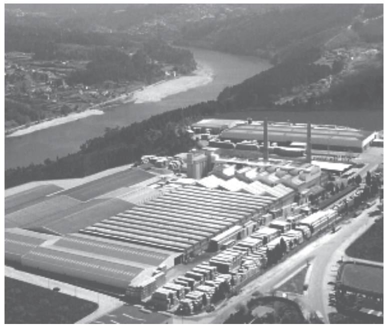
EXECUTIVES

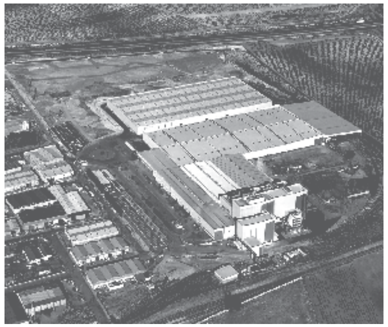
Alberto Araújo Soares
Ana Cristina Gonçalves
António Magalhães
António Sá Couto
Bruno Lopes
Christodoulos Tsilopoulos
Dimitrios Dentsas
Dimitrios Papadopoulos
Georgios Arkoudis
Isabel Monteiro
Jakub Kaczmarek
Joana Osório
Luís Cardoso
Marcin Kochanski
Nikolaos Christodoulou
Oliver Meuter
Paula Marinho
Paulo Sá
Pedro Belo
Rafael Corzo
Rui Guimarães
Rui Matos
Tomasz Karpiewski
Venancio Roales

ADRESSES & GEOGRAPHICAL LOCATION

WWW.BAGLASS.COM

BA Glass B.V.
Prins Bernhardplein 200
1097 JB, Amesterdam
— The Netherlands
babv@baglass.com





BA GLASS PORTUGAL, S.A.

Headquarters/Avintes Plant [1]
Avenida Vasco da Gama, 8001
4434-508 Avintes — Portugal
T. +351 227860500
F. +351 227860501
baglass@baglass.com

Marinha Grande Plant [2]
Travessa da Liberdade
2430-229 Marinha Grande
— Portugal
T. +351 244575200

Venda Nova Plant [3]
Rua Vice-Almirante Azevedo
Coutinho, 1, Venda Nova
2700-843 Amadora — Portugal
T. +351 214967500

BA GLASS SPAIN, S.A.U.

Villafranca Plant [4]
Polígono Industrial 'Los Varales', s/n
06220 Villafranca de Los Barros
(Badajoz) — Spain
T. +34 924527812

Leõn Plant [5]
Carretera de Zamora, km 6
Apartado 368, 24080 Léon
— Spain
T. +34 987218270

BA GLASS GERMANY, GMBH

Gardelegen Plant [6]
Dr.-Kurt-Becker-Str. 1,
39638 Gardelegen — Germany
T. +49 3907775780
info_ga@baglass.com

BA GLASS GREECE, S.A.

Athens Plant [9]
5 Orizomilon St.
122 44 Egaleo (Athens) — Greece

BA GLASS ROMANIA, S.A.

Bucharest Plant [10]
45 Theodor Pallady Blvd., 3rd District
032258, Bucharest — Romania
T. +40 212018500
F. +40 213451023
baglass_bu@baglass.com

BA GLASS POLAND, SP. Z O.O.

Headquarters
Ulica Ostroroga, 8/1
60-349 Poznan — Poland
T. +48 515867443

Sieraków Plant [7]
Ul Poznanska 35
64-410 Sieraków — Poland

Jedlice Plant [8]
Jedlice
46-040 Ozimek — Poland

BA GLASS BULGARIA, S.A.

Sofia Plant [11]
Ulica Prof. Ivan Georgov, 1
1220 Sofia — Bulgaria
T. +359 29216551
F. +359 29311247
baglass_so@baglass.com

Plovdiv Plant [12]
Ulica Georgi Benev 15
4003 Plovdiv — Bulgaria
T. +359 32908500
F. +359 32964172
baglass_pv@baglass.com

COMMERCIAL OFFICES

MADRID

Calle Alberto Alcocer, 46-B
Planta 8 — Oficina C
28016 Madrid — Spain
T. +34 914583680
comercial@baglass.com

LEVANTE

Calle Progreso, 25
30500 Molina de Segura,
Murcia — Spain
T. +34 968641073
comercial@baglass.com

BARCELONA

C/ Josep Vicenç Foix, 1 Baixos A
08720 Vilafranca del Penedès
Barcelona — Spain
T. +34 938175286
F. +34 938910978
sventura@baglass.com

ANDALUZIA

Ctra. de la Esclusa, 11
Edificio Galia Puerto, Planta 1ª, oficina
11 — Centro de negocios
41011 Sevilla — Spain
T. +34 954996109
F. +34 955658239
jcaballero@baglass.com

CONCEPT DESIGN ILLUSTRATIONS

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