Vidrala, S.A. and Subsidiaries

Consolidated Annual Accounts
31 December 2024

Consolidated Directors' Report
2024

(With Independent Auditor's Report Thereon)

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Balance Sheets

31 December 2024 and 2023

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Note	2024	2023 (*)
ASSETS			
Non-current assets			
Property, plant and equipment	**7**	1,098,480	1,162,785
Right-of-use assets	**8**	43,075	44,446
Goodwill	**8**	258,675	275,114
Other Intangible assets	**8**	109,688	135,196
Other financial assets		1,570	6,994
Investments accounted for using the equity method	**5**	6,546	-
Deferred tax assets	**10**	32,545	57,410
Derivative financial instruments	**9**	3,923	10,483
Other non-current assets		942	104
		1,555,444	**1,692,532**
Current assets			
Inventories	**11**	249,077	336,011
Trade and other receivables	**12**	342,215	354,302
Current tax assets		16,345	9,123
Derivative financial instruments	**9**	25,567	-
Other current assets	**13**	19,430	35,453
Cash and cash equivalents		100,094	81,506
		752,728	**816,395**
Total assets		**2,308,172**	**2,508,927**

(*) Restated figures, see note 2(b).

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Balance Sheets

31 December 2024 and 2023

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

EQUITY AND LIABILITIES	**Note**	**2024**	**2023 (*)**
Equity	**14**		
Share capital		34,200	32,908
Other reserves		8,892	8,579
Retained earnings		1,336,128	1,244,478
Other comprehensive income		(31,843)	(28,789)
Interim dividend distributed during the year		(37,547)	(32,844)
Equity attributed to equity holders of the Parent		**1,309,830**	**1,224,332**
Non-current liabilities			
Deferred income	**15**	8,291	9,388
Loans and borrowings	**16**	300,624	414,277
Deferred tax liabilities	**10**	136,746	129,868
Provisions	**19**	66,560	85,107
Other non-current liabilities		2,236	5,728
		514,457	**644,368**
Current liabilities			
Loans and borrowings	**16**	92,688	184,771
Derivative financial instruments	**9**	64	2,961
Trade and other payables	**17**	354,952	383,080
Current tax liabilities		3,883	33,929
Provisions	**19**	1,450	3,286
Other current liabilities	**13**	30,848	32,200
		483,885	**640,227**
Total liabilities		**998,342**	**1,284,595**
Total equity and liabilities		**2,308,172**	**2,508,927**

(*) Restated figures, see note 2(b).

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Income Statements
for the years ended
31 December 2024 and 2023

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy,
the Spanish-language version prevails)

	Note	2024	2023(*)
Revenues	**4 & 22**	1,588,267	1,427,473
Services rendered		2,910	721
Other income	**22**	28,187	24,080
Changes in inventories of finished goods and work in progress		(65,087)	54,542
Merchandise, raw materials and consumables used	**23**	(609,275)	(684,187)
Employee benefits expense	**25**	(284,673)	(255,207)
Amortisation and depreciation	**7 & 8**	(117,720)	(87,210)
Impairment of non-current assets	**7**	(5,231)	(5,659)
Other expenses	**24**	(206,370)	(207,045)
Profit loss from operating activities		**331,008**	**267,508**
Finance income	**26**	14,267	8,483
Finance costs	**26**	(42,551)	(12,949)
Participation in profits (losses) of entities accounted for using the equity method		494	5,607
Profit before income tax from continuing operations		**303,218**	**268,649**
Income tax expense	**10**	(64,968)	(54,813)
Profit for the year from continuing operations		**238,250**	**213,836**
Profit for the year from discontinuing operations		**60,065**	**19,559**
Profit for the year		**298,315**	**233,395**
Profit for the year attributable to equity holders of the Parent		**298,315**	**233,395**
Earnings per share (expressed in Euros)			
- Basic	**27**	**8,85**	**7,23**
- Diluted	**27**	**8,85**	**7,23**

(*) Restated figures, see note 2(b).

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
for the years ended
31 December 2024 and 2023

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Note	2024	2023
Profit for the year		**298,315**	**233,395**
Other comprehensive income:			
Translation differences	**14**	(22,092)	8,318
Remeasurements of defined benefit plans	**14**	(241)	2
Items to be reclassified in profit or loss		25,367	(10,278)
Cash flow hedges	**9**		
Tax effect	**10**	(6,088)	2,467
Other comprehensive income, net of income tax		**(3,054)**	**509**
Total comprehensive income for the year		**295,261**	**233,904**
Profit for the year attributable to equity holders of the Parent		**295,261**	**233,904**

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
for the years ended
31 December 2024 and 2023
(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Equity attributable to equity holders of the Parent								
					Other comprehensive income				
	Share capital	**Other reserves**	**Retained earnings**	**Own shares**	**Cash flow hedges**	**Translation differences**	**Defined benefit plans**	**Interim dividend paid during the year**	**Total equity**
Balances at 1 January 2023	**31,341**	**8,399**	**1,050,381**	**-**	**8,977**	**(39,806)**	**1,531**	**(27,199)**	**1,033,624**
Total comprehensive income for the year	-	-	233,395	-	(7,811)	8,318	2	-	233,904
Own shares redeemed	-	-	-	-	-	-	-	-	-
Share capital increase	1,567	-	(1,567)	-	-	-	-	-	-
Share capital decrease	-	-	-	-	-	-	-	-	-
Dividends	-	-	(37,551)	-	-	-	-	27,199	(10,352)
Interim dividend on account of 2023 profit	-	-	-	-	-	-	-	(32,844)	(32,844)
Other movements	-	180	(180)	-	-	-	-	-	-
Balances at 31 December 2023	**32,908**	**8,579**	**1,244,478**	**-**	**1,166**	**(31,488)**	**1,533**	**(32,844)**	**1,224,332**
Total comprehensive income for the year	-	-	298,315	-	19,279	(22,092)	(241)	-	295,261
Own shares redeemed	-	-	-	(31,122)	-	-	-	-	(31,122)
Share capital increase	1,629	-	(1,629)	-	-	-	-	-	-
Share capital decrease	(337)	-	(30,785)	31,122	-	-	-	-	-
Dividends	-	-	(173,938)	-	-	-	-	32,844	(141,094)
Interim dividend on account of 2024 profit	-	-	-	-	-	-	-	(37,547)	(37,547)
Other movements	-	313	(313)	-	-	-	-	-	-
Balances at 31 December 2024	**34,200**	**8,892**	**1,336,128**	**-**	**20,445**	**(53,580)**	**1,292**	**(37,547)**	**1,309,830**

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
for the years ended
31 December 2024 and 2023
(Indirect Method)

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy,
the Spanish-language version prevails)

	Note	2024	2023(*)
Cash flows from operating activities			
Profit for the year from continuing operations		238,250	213,836
Profit for the year from discontinuing operations		60,065	19,559
Profit for the year		298,315	233,395
Adjusted for:			
Amortisation and depreciation	**7 & 8**	117,720	87,210
Impairment of non-current assets	**7 & 8**	5,231	5.659
(Reversal of) impairment losses on trade receivables		1,182	(1,478)
(Reversal of) impairment losses on inventories	**11**	3,052	1,213
Exchange (gains) / losses	**26**	2,245	(131)
Changes in provisions		20,024	(6,553)
Government grants recognised in the income statement		(266)	(5,372)
Finance income	**26**	(14,267)	(8,352)
Finance costs	**26**	40,306	3,435
Income tax	**10**	64,968	54,813
		240,195	**158,414**
Changes in working capital			
Inventories		36,800	(83,925)
Trade and other receivables		(15,655)	(34,457)
Trade and other payables		3,916	(6,068)
Other current liabilities		106,417)	47,199
Effect of translation differences on operating assets and liabilities of foreign operations		(3,638)	(1,554)
Cash used in operating activities		**(84,994)**	**(78,805)**
Interest paid		(32,100)	(12,320)
Interest received		11,200	7,774
Income tax paid		(70,100)	(45,021)
Net cash from operating activities		**362,516**	**263,437**
Cash flows from investing activities			
Payments from sale of property, plant and equipment		(160,063)	(143,848)
Payments from sale of other intangible assets		(8,737)	(7,852)
Acquisition of a subsidiary, net of cash acquired		-	(254,086)
Acquisition of companies accounted for using the equity method		(6,000)	-
Cash flows from loss of control of subsidiaries		230,000	-
Other effects of disposal		11,668	-
Net cash used in investing activities		**66,868**	**(405,786)**
Cash flows from financing activities			
Proceeds from loans and borrowings	**16**	229,495	257,877
Payments to redeem own shares and other own equity instruments	**14**	(31,122)	-
Payments of loans and borrowings		(201,931)	(4,500)
Payments from other debts	**14**	(233,300)	(146,000)
Dividends paid	**14**	(173,938)	(37,551)
Net cash from/(used in) financing activities		**(410,796)**	**69,826**
Net increase/(decrease) in cash and cash equivalents		18,588	(72,523)
Cash and cash equivalents at 1 December		81,506	154,029
Cash and cash equivalents at 31 December		**100,094**	**81,506**

(*) Restated figures

1. Nature, Principal Activities and Composition of the Group

Vidrala, S.A. (hereinafter the Company, the Parent or Vidrala) was incorporated with limited liability under Spanish law. Its principal activity is the manufacture and sale of glass containers and its registered office is in Llodio (Álava, Spain).

During the years 2024 and 2023 there have been no changes in the name of the Company or the aforementioned registered office and tax office.

Vidrala, S.A. shares are listed on the Madrid and Bilbao stock exchanges.

Details of the companies comprising the Vidrala Group, the interest held by the Parent (direct and/or indirect) at 31 December 2024 and 2023 and the location and activity of each company that forms part of the consolidated group are as follows.

Company	Location	Investment 2024	Investment 2023	Activity
Crisnova Vidrio, S.A.	Caudete (Albacete)	100%	100%	Manufacture and sale of glass containers
Inverbeira, Sociedad de Promoción de Empresas, S.A.	Llodio (Álava)	100%	100%	Promotion and development of companies
Aiala Vidrio, S.A.U.	Llodio (Álava)	100%	100%	Manufacture and sale of glass containers
Gallo Vidro, S.A.	Marinha Grande (Portugal)	100%	100%	Manufacture and sale of glass containers
Vidrala Logistics, Ltda.	Marinha Grande (Portugal)	100%	100%	Logistic services
Castellar Vidrio, S.A.	Castellar del Vallés (Barcelona)	100%	100%	Manufacture and sale of glass containers
Vidrala Italia, S.r.l.	Córsico (Italy)	___%	100%	Manufacture and sale of glass containers
Vidrala France, SARL	Burdeos (France)	100%	100%	Commercialisation
Vidrala Desarrollos, S.L.U.	Llodio (Álava)	100%	100%	Promotion and development of companies
Encirc Limited	Derrylin (Irlanda del Norte)	100%	100%	Manufacture of glass containers, packaging and logistical services
Encirc Distribution Limited	Ballyconnell (Irlanda)	100%	100%	Logistical services
Santos Barosa Vidros, S.A.	Marinha Grande (Portugal)	100%	100%	Manufacture and sale of glass containers
Vidroporto, S.A.	Porto Ferreira (Brazil)	100%	1,00	Manufacture and sale of glass containers
Indústria Vidriera do Nordeste LTDA.	Estancia – Sergipe (Brazil)	100%	1,00	Manufacture and sale of glass containers
Quatroefe Administraçao e Particiapaçoes LTDA.	Sao Paulo (Brazil)	100%	1,00	Promotion and development of companies
Conrado Participaçoes LTDA.	Sao Paulo (Brazil)	100%	1,00	Promotion and development of companies
Vidrala Portugal, S.A.	Marinha Grande (Portugal)	100%	1,00	Promotion and development of companies
RT119 Empreendimentos e Participaçoes LTDA.	Sao Paulo (Brazil)	100%	1,00	Promotion and development of companies
Envasados EVA, S.A.	Lekunberri (Navarra)	45%	-	Manufacture and sale of glass containers
Subgrupo Glassco Recycling Ltd.	Naas (Irlanda)	20%	-	Manufacture and sale of glass containers

The aforementioned subsidiaries are consolidated using the global integration method, except for Envasados Eva, S.A. and the Glassco Recycling, Ltd. subgroup, which are consolidated using the equity method.

Variations in the perimeter

- Acquisition, dated May 21, 2024, through the subsidiary Inverbeira, Sociedad de Promoción de Empresas, S.A., of a minority stake of 45% in Envasados Eva, S.A. for a total amount of 1,500 thousand euros.

- Acquisition, dated February 29, 2024, through the subsidiary of Encirc Limited Group, of a minority stake of 20% in the Glassco Recycling Ltd subgroup for a total amount of 4,500 thousand euros (3,800 thousand British pounds).

For more information on this matter, see Note 5.

Additionally, on July 4, 2024, the effective sale of the Italian subsidiary Vidrala Italia occured, detailed in Note 5. Finally, in December 2024, the liquidation of Vidrala Portugal, S.A. takes place.

During 2023, control was acquired over the Brazilian companies (Note 5).

2. Basis of Presentation

The consolidated 2024 annual accounts have been prepared based on Vidrala, S.A. and descendants financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other provisions of the financial information reporting framework applicable to the Group, to present fairly the consolidated equity and consolidated financial position of Vidrala, S.A. and subsidiaries at 31 December 2024, as well as the consolidated financial performance and changes in consolidated equity and cash flows for the year then ended.

The Parent's directors consider that the consolidated annual accounts for 2023, authorised for issue on 27 February 2025, will be approved without changes by the shareholders at their Shareholders' Annual General Meeting.

(a) Basis of preparation of the annual accounts

These consolidated annual accounts have been prepared on a going concern basis using the historical cost principle, with the exception of derivative financial instruments, which have been recognised at fair value.

(b) Comparative information

The accounting criteria used in preparing these consolidated annual accounts have been applied consistently for the two years presented.

When comparing the figures as of December 31, 2024, with those of December 31, 2023, it is important to consider the impacts of the divestment of the production activity in Italy, as well as the business combination of Vidroporto and the final figures associated with the allocation of the overprice paid to the acquired assets and liabilities (Note 5).

Thus, the consolidated balance sheet for the annual period ended December 31, 2023, is presented restated to reflect the final figures associated with the allocation of the overprice paid in the acquisition of Vidroporto to the acquired assets and liabilities, once the one-year period since the acquisition of control on the Brazil segment has been completed (Note 5).

Additionally, the Consolidated Income Statement and the Consolidated Cash Flow Statement for the annual period ended December 31, 2023, are presented restated to reflect the impact of the sale of the Italy segment and are classified under the heading 'Profit for the year from discontinued operations.

(c) Relevant accounting estimates and relevant assumptions and judgements in the application of the accounting policies

Accounting estimates, judgements and assumptions sometimes have to be made to prepare the consolidated annual accounts in conformity with IFRS-EU. A summary of the items requiring a greater degree of judgement or complexity, or where the assumptions and estimates made are significant to the preparation of the consolidated annual accounts:

i) Relevant accounting estimates and assumptions

- Goodwill impairment:

The Group tests for impairment of goodwill on an annual basis, regardless assigned goodwill existence. The calculation of the recoverable amount of a cash-generating unit to which goodwill has been allocated requires the use of estimates and the application of financial measurement criteria. The recoverable amount is the higher of fair value less costs to sell and value in use. The Group uses cash flow discounting methods to calculate these values. Cash flow discounting calculations are made considering that the activity of cash generating units has an infinite life and free cash flow projections are made based on financial projections approved by management. Cash flows beyond the budgeted period are extrapolated using estimated growth rates (see note 8). The flows take into consideration past experience and represent management's best estimate of future market performance. The key assumptions used to determine value in use include expected growth rates, the weighted average cost of capital and tax rates indicated in note 8. The estimates, including the methodology used, could have a significant impact on values and impairment.

- Useful lives of property, plant and equipment:

Group management determines the estimated useful lives and depreciation charges for its installations. These estimates are based on the historical and projected life cycles of the assets according to their characteristics, available technology and estimated replacement requirements. This could change as a result of technical innovations and initiatives adopted by the competition in response to pronounced cycles.

- Income tax:

The Group files income tax returns in numerous jurisdictions. Tax legislation applicable to certain group companies means that certain calculations have to be estimated.

Any differences between the final tax calculation and the amount initially recognised have an effect on the profit or loss for the period in question.

Group management estimates that any differences arising from the use of assumptions and judgements in estimating income tax for 2024 will be immaterial.

- Capitalised tax credits:

The Group evaluates the recoverability of capitalised tax credits based on estimates of whether sufficient future taxable income will be available against which they can be offset.

- Impairment of trade receivables:

The Group set aside an allowance for impairment of trade receivables, reviewing individual balances based on management's review of individual customer creditworthiness, current market trends and aggregate default rate.

- Write-downs of inventories:

The controls put in place by the Group to ensure continuous control of inventories of finished goods included implementing automated inventory tracking processes, enabling Group management to apply specific measures regarding depreciation, physical inventory and carrying amount.

(ii) *Changes in accounting estimates*

Although estimates are calculated by the Company's directors based on the best information available at 31 December 2024, future events may require changes to these estimates in subsequent years. Any effect on the consolidated annual accounts of adjustments to be made in subsequent years would be recognised prospectively.

(d) Standards and interpretations approved by the European Union first-time application in the reporting period

The accounting policies used in the preparation of the accompanying consolidated financial statements are the same as those used in the consolidated financial statements for the year ended 31 December 2023, except for the following standards applied for the first time in this exercise:

- Presentation of financial statements: Classification of liabilities as current or non-current (Amendments to IAS 1).

- Lease liability in a sale with a subsequent lease (Amendments to IFRS 16).

- Supplier financing arrangements (Amendments to IAS 7 and IFRS 7).

The adoption of these standards has not had a significant impact on the Consolidated Financial Statements of the Vidrala Group.

(e) Standards and interpretations issued by the IASB, but not effective in the reporting period

Rule, interpretation or amendment	Date of adoption by the EU	Date of implementation in the EU	Date of application of the IASB
Lack of convertibility (Amendments to IAS 21)	November 13th, 2024	January 1st, 2025	January 1st, 2025
Classification and measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	Pending	Pending	January 1st, 2026
Renewable electricity contracts (Amendments to IFRS 9 and IFRS 7)	Pending	Pending	January 1st, 2026
IFRS 18 Presentation and disclosure in financial statements	Pending	Pending	January 1st, 2027

The Group intends to adopt the standards, interpretations and amendments to standards issued by the IASB applicable to it when they become effective in the EU. Although the Group is currently assessing their impact, based on the analysis performed to date, the Group estimates that their initial application will not have a significant impact on the consolidated financial statements.

3. Significant Accounting Principles

(a) Subsidiaries

In Note 1, information is included about the subsidiaries included in the consolidation of the Group.

Subsidiaries are considered to be those over which the Parent Entity has the ability to exercise control; this ability is manifested when the Parent Entity has the authority to direct the financial and operational policies of an investee in order to obtain benefits from its activities. The annual accounts of the subsidiaries are consolidated with those of the Parent Entity using the global integration method. Consequently, all balances and effects of transactions conducted between the consolidated companies have been eliminated in the consolidation process.

Additionally, 'associates' are those over which the Parent Entity has the ability to exercise significant influence, but not control or joint control. A 'joint venture' is an agreement whereby the parties that have joint control over the entity have rights to the net assets jointly. In the consolidated annual accounts, associates and joint ventures are valued using the 'equity method,' meaning by the fraction of their net equity that represents the Group's interest in their capital, once considering the dividends received from them and other equity eliminations (in the case of transactions with an associate, the corresponding losses or gains are eliminated in proportion to the Group's interest in their capital) less any impairment of individual investments.

The accounting policies of the subsidiaries have been aligned with the accounting policies of the Group for transactions and other similar events that have occurred under similar circumstances.

The annual accounts or financial statements of the subsidiaries used in the consolidation process refer to the same presentation date and period as those of the Parent Company.

(b) Business combinations

The Group applies the acquisition method for business combinations.

The acquisition date is the date on which the Group obtains control of the acquiree.

(c) Property, plant and equipment

(i) *Initial recognition*

Property, plant and equipment are recognised at cost or deemed cost, less accumulated depreciation and any accumulated impairment losses.

Spare parts for use in installations, equipment and machinery as replacements for similar parts with a warehouse cycle of more than one year are measured using the aforementioned criteria and depreciated over the same period as the related assets. Parts with a warehouse cycle of less than one year are recognised as inventories.

Moulds are considered property, plant and equipment as their period of use exceeds one year, and are depreciated according to the quantities they produce.

At 1 January 2004 the Group applied the exemption permitted by IFRS 1, First-time Adoption of International Financial Reporting Standards, relating to fair value or revaluation as deemed cost, for certain items of property, plant and equipment acquired prior to that date.

(ii) *Depreciation*

The Group determines the depreciation charge separately for each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and with a useful life that differs from the remainder of the asset.

Property, plant and equipment are depreciated on a straight-line basis using the following estimated useful lives:

	Estimated years of useful life
Buildings	20 - 30
Technical installations and machinery	
Internal transport and fixed maintenance installations	6 - 10
General installations	10 - 30
Furnaces, installations and production machinery	8 - 16
Workshop machinery	8 - 14
Furniture	6 - 12
Other property, plant and equipment	8 - 12

The Group reviews residual values, useful lives and depreciation methods for property, plant and equipment at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

(iii)*Subsequent costs*

Subsequent to initial recognition of the asset, only those costs incurred which will generate probable future profits and for which the amount may reliably be measured are capitalised. Costs of day-to-day servicing are recognised in profit or loss as incurred.

(iv)*Impairment*

The Group evaluates and determines impairment losses and reversals of impairment losses on property, plant and equipment in line with the criteria described in section (f).

(d) Leases

(i)*Group as a lessee*

The Group is lessee of different kinds of machinery for its production activity. It applies a single recognition and measurement approach for all leases in which it is lessee except for short-term leases and leases of low-value assets.

- **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date, i.e. the date on which the underlying asset is available for use. Right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the related lease liabilities. The initial cost of right-of-use assets includes the amount of recognised lease liabilities, any initial direct costs and any lease payments made at or before the commencement date of the lease. Any incentives received are deducted from the initial cost.

Right-of-use assets are depreciated over the shorter of the estimated useful life and the lease term.

However, where the Group considers it reasonably certain that it will obtain ownership of the leased asset at the end of the lease term or that it will exercise any purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. Right-of-use assets are tested for impairment.

The Group's leases do not include obligations to dismantle assets or restore sites.

Right-of-use assets are presented in separate line item in the balance sheet.

- **Lease liabilities**

At the commencement date of the lease, the Group recognises the lease liabilities at the present value of the 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 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 the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease cannot be readily determined. 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 in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset. The liability is also increased if there is a change to future lease payments resulting from a change in an index or rate used to determine such lease payments.

- **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its leases of machinery and equipment that have a lease term of 12 months or less from the commencement date and do not have a purchase option. It also applies the low-value asset recognition exemption to leases of office equipment that are considered low value (less than €5,000). Payments for leases under short-term leases and leases of low-value assets are recognized as linear expenses over the lease term.

- **Judgements made in determining the lease term of contracts with renewal option**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. Also included are any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

(e) Intangible assets

(i) Goodwill

Goodwill corresponds to the excess between the consideration paid plus the value assigned to non-controlling interests and the net amount of assets acquired and liabilities assumed in business combinations made by the Group.

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that an asset may be impaired. Goodwill on business combinations is allocated to the cash-generating units (CGUs) or groups of CGUs which are expected to benefit from the synergies of the business combination and the criteria described in the note on impairment are applied. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(ii) Customer portfolio

The heading 'Other intangible assets' includes the allocation of the purchase price associated with the acquisition of Santos Barosa Vidros, S.A. in the fiscal year 2017 attributable to acquired customers in the business combination, and it is amortized over the estimated period of 4 years during which the cash flows that generated it will be received. As of December 2022, it has been fully amortized (Note 7).

Additionally, as of December 31, 2024, it includes the allocation related to the acquisition of the Brazilian companies described in Note 5 of this consolidated annual accounts.

(iii) Internally generated intangible assets

Expenditure on research is recognised as an expense when it is incurred.

(iv) CO2 emission allowances

Emission allowances are recognised when the Group becomes entitled to such allowances and are measured at cost, less accumulated impairment losses. Allowances acquired free of charge or at a price substantially lower than fair value are carried at fair value, which generally coincides with the market value of the allowances at the beginning of the relevant calendar year. The excess between this value and, where applicable, the payment made for the allowance is credited to government grants under deferred income. Amounts recognised under government grants are taken to profit or loss in accordance with the emissions made as a percentage of total emissions forecast for the entire period for which they have been allocated, irrespective of whether the previously acquired allowances have been sold or impaired.

Expenses generated by the emission of greenhouse gases are recognised in line with the use of emission allowances allocated or acquired as these gases are emitted during the production process, with a credit to the corresponding provision.

Emission allowances recognised as intangible assets are not amortised but written off against the corresponding provision upon delivery to the authorities to cancel the obligations assumed. The Group derecognises emission allowances at weighted average cost.

(v) *Other intangible assets*

Other intangible assets acquired by the Group are carried at cost, less any accumulated amortisation and impairment losses.

(vi) *Useful life and amortisation rates*

Intangible assets with finite useful lives are amortised by allocating the depreciable amount of an asset on a systematic basis using the straight-line method over its useful life, which is estimated to be a maximum of ten years for computer software and, in the case of development expenses, the period over which profit is expected to be generated from the start of the commercial production of the product (normally less than 5 years).

The Group reviews the residual value, useful life and amortisation method for intangible assets at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

(vii) *Impairment*

The Group evaluates and determines impairment losses and reversals of impairment losses on intangible assets in line with the criteria described in section (f).

(f) Impairment losses of non-financial assets subject to amortisation or depreciation

The Group assesses the existence of indications of potential impairment of the non-financial assets subject to amortisation and depreciation, in order to check whether carrying amount exceeds recoverable amount. The recoverable amount of assets is the higher of their fair value less costs to sell and their value in use determined based on the expected future cash flows.

The cash-generating units (CGUs) identified by the Group are detailed in Note 8 of the consolidated annual accounts report.

The discount rate applied is obtained through assessments in line with the assumptions used by the company, and its result is consistent with the discount rates used in independent external financial analyses of Vidrala. Additionally, if specific elements of tangible fixed assets within the CGUs are identified that will not generate future cash flows, they are subject to impairment.

The measurements made to quantify the recoverable amount are based on evaluating the value in use of the identified production plants using predictive business models and according to the methodology of discounting future cash flows.

Negative differences between assets' carrying amount and their recoverable amount are recognised in profit or loss.

(g) <u>Financial instruments</u>

(i) *<u>Classification of financial instruments</u>*

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.

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.

(ii) *<u>Offsetting principles</u>*

A financial asset and a financial liability are offset only when the Group currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) *<u>Financial assets</u>*

The group classifies its financial assets after initial recognition according to whether they are measured at amortised cost, at fair value through other comprehensive income or at 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.

At initial recognition, the Group measures financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss are also recognised in profit or loss.

Subsequent measurement depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. After initial recognition, financial assets are classified into three categories:

- *Financial instruments at amortised costs*

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. Gains and losses are recognised in profit or loss when the asset is derecognized.

- *Financial assets at fair value through other comprehensive income*

These are financial assets measured initially at fair value if they are managed within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The initial recognition at fair value includes transaction costs that are directly attributable to the transaction. In subsequent periods, these assets are measured at fair value, with any gain or loss recognised in the statement of other comprehensive income, although accrued interest is recognised in profit or loss. Amounts recognised in the statement of comprehensive income are recycled to profit or loss upon derecognition of the financial assets.

- *Financial assets at fair value through income*

These are assets acquired for the purpose of selling them in the near term. Derivatives are classified in this category unless they are designated as hedging instruments. These assets are measured both initially and subsequently at fair value, with any changes in fair value recognised in consolidated profit or loss for the year.

Equity instruments classified in this category are recognised at fair value with any gains or losses arising from changes in fair value and proceeds from the sale included in consolidated profit or loss.

The fair values of quoted investments are based on quoted prices (Level 1). For investments in unquoted companies, fair value is based on valuation techniques, including the use of recent arm's length transactions between knowledgeable, willing parities, references to other instruments that are substantially the same and discounted cash flow analysis (Levels 2 and 3). If insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range, the investments are measured at cost less any impairment losses.

(iv) Financial liabilities

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.

Bank loans make up the Group's most important financial liabilities. They are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The accounting policies for derivatives and hedging instruments are described below in section (h) hedge accounting.

(v) Impairment of financial assets

The Group recognises a loss allowance for impairment losses on financial assets and the uncollectability of loans and other receivables. The recognition criteria followed by the Group is based on the age of the debtors, and the monitoring, knowledge and third-party reports on the debtors' financial situation When the impairment or uncollectability are considered irreversible because the Group has exhausted all means of claims, including legal, the carrying amount of the asset is eliminated against the loss allowance. Reversals of impairment losses are also recognised against the amount of the allowance account.

(vi) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily 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;

- 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 to what extent, it has retained the risks and rewards of 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. 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.

(h) Hedge accounting

Financial derivatives are initially recorded at their acquisition cost in the consolidated balance sheet and, subsequently, the necessary valuation adjustments are made to reflect their fair value. Profits or losses arising from fluctuations in this fair value are recorded in the consolidated income statement, unless the derivatives in question forms part of a cash flow or foreign investment hedge relationship.

The Group has cash flow hedges.

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.

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.

The structure of hedges in the different cases is as follows:

(i)Interest rate hedges

- Hedged item: variable-rate financing received.
- Hedging instrument: the Group manages interest rate risks in cash flows through derivative instrument swaps or interest rate caps. These derivative hedging instruments convert variable interest rates on borrowings to fixed interest rates (swaps) or limit the cost of variable rate borrowings (caps). In some cases, these are forward start instruments, which means that the flows of the hedged item are only hedged from the time the hedging instrument comes into effect.
- Hedged risk: changes in the cash flows of the hedged item (interest payments) in the event of changes in benchmark interest rates.

(ii) Energy price swaps

- Hedged item: variable price of gas used as fuel at production plants tied to Brent prices and the euro/dollar exchange rate.
- Hedging instrument: derivative instrument swaps or purchase option caps through which the Group converts the variable purchase cost of certain fuels to a fixed cost (swaps) or limits the variable cost to a maximum price (caps).
- Hedged risk: changes in the cash flows of the hedged item in the event of changes in benchmark fuel prices.

The Group also enters into agreements to hedge risks arising from changes in exchange and inflation rates.

(i) Parent own shares

Transaction costs related to own equity instruments are accounted for as a reduction in equity, net of any tax effect.

(j) Distribution to shareholders

Dividends are recognised as a reduction in equity when approved by the General Meeting of Shareholders.

(k) Inventories

Inventories are measured at the lower of acquisition or production cost and net realisable value.

The purchase price includes the amount invoiced by the seller, after deduction of any discounts, rebates or other similar items, other costs directly attributable to the acquisition and indirect taxes not recoverable from Spanish taxation authorities.

The Group uses the following measurement criteria to determine the cost of each type of inventory:

a) Raw materials: at weighted average cost.

b) Finished goods and work in progress: at actual cost, which includes raw materials, direct labour and direct and indirect manufacturing overheads (based on normal operating capacity).

c) Auxiliary and production materials: at weighted average cost.

The cost of inventories is adjusted against profit or loss when cost exceeds the net realisable value.

(l) <u>Cash and cash equivalents</u>

Cash and cash equivalents include cash on hand and demand deposits in financial institutions.

(m) <u>Government grants</u>

Government grants are recognised in the balance sheet when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached.

(i) <u>Capital grants</u>

Capital grants awarded as monetary assets are recognised under deferred income in the consolidated balance sheet and allocated to other income in line with the amortisation or depreciation of the assets for which the grants have been received.

The accounting treatment of grants related to emission allowances is described in note 3.e.

(ii) <u>Operating grants</u>

Operating grants are recognised under other income.

(iii) <u>Interest-rate grants</u>

Financial liabilities comprising implicit assistance in the form of below market interest rates are initially recognised at fair value. The difference between this value, adjusted where necessary for the issue costs of the financial liability and the amount received, is recognised as a government grant based on the nature of the grant awarded.

(n) <u>Employee benefits</u>

(i) <u>Defined benefit plans</u>

The Group includes plans financed through the payment of insurance premiums under defined benefit plans where a legal or constructive obligation exists to directly pay employees the committed benefits when they become payable or to pay further amounts in the event that the insurance company does not pay the employee benefits relating to employee service in the current and prior periods.

Defined benefit liabilities recognised in the consolidated statement of financial position reflect the present value of defined benefit obligations at the reporting date, minus the fair value at that date of plan assets.

Income or expense related to defined benefit plans is recognised as employee benefits expense and is the sum of the net current service cost and the net interest cost of the net defined benefit asset or liability. Remeasurements of the net defined benefit asset or liability are recognised in other comprehensive income, comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability or asset.

The present value of defined benefit obligations is calculated annually by independent actuaries using the Projected Unit Credit Method. The discount rate of the net defined benefit asset or liability is calculated based on the yield on high quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligations. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high-quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

(ii) *Defined contributions*

The Group has pension plan commitments. Contributions are made to externally managed funds and are classified as defined contributions.

The Group recognises the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered service to the Group. The contributions payable are recognised as an expense for employee remuneration, and as a liability after deducting any contribution already paid.

(iii) *Other commitments with employees*

The heading 'Provisions' in the consolidated balance sheet includes a commitment for variable compensation to certain employees, related to the achievement of specific economic performance objectives.

(iv) *Termination benefits*

Under current labor legislation, the Group is required to pay termination benefits to employees terminated under certain conditions.

(v) *Short-term employee benefits*

The Group recognises the expected cost of profit-sharing and bonus plans when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(o) Provisions

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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated.

If it is not probable that an outflow of resources embodying economic resources will be required to settle an obligation, the provision is reversed. The provision is reversed against the caption of the consolidated income statement in which the related expense was recognised, and any surplus is accounted for in other income.

(i) *Provision for emission allowances*

Provision is systematically made under provisions for emission allowances for expenses related to the emission of greenhouse gases at the average price of the allowances expected to be received, and is cancelled through the conveyance of the corresponding allowances, including those purchased to cover the shortfall in allowances received free of charge.

(ii) *Provision for taxes*

Vidrala recognises a provision for taxes arising from ongoing litigation with the taxation authorities based on the best information available at the date of authorisation for issue of these consolidated financial statements (see Note 19).

(p) Revenue recognition

Revenue from contracts with customers should be recognised with accordance with satisfaction of the performance obligations with customers.

Ordinary revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which Vidrala expects to be entitled in exchange for those goods and services.

A five-step model is established for recognising revenue

1. Identifying the contract(s) with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to performance obligations.
5. Recognising revenue according to satisfaction of each obligation.

Based on this recognition model, sales of goods are recognised when the products have been delivered to and accepted by the customer, even if they have not been invoiced or, where applicable, the services have been rendered and collection of the receivables is reasonably assured.

Discounts for early payment, volume or other, are recognised as a reduction. Revenue is presented net of value-added tax and any other amount or tax whose substance relates to amounts received by third parties.

Discounts granted to customers are recognised when it is probable that the attaching conditions will be met as a reduction of revenue.

(q) Income tax

The income tax expense or tax income for the year comprises current tax and deferred.

Current tax is the amount of income taxes payable or recoverable in respect of the consolidated taxable profit or tax loss for the period.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences, whereas deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits. Temporary differences are considered to be the difference between the carrying amount of the assets and liabilities and their tax base.

Vidrala, S.A. together with Vidrala Desarrollos, S.A., Aiala Vidrio, S.A. and Inverbeira, Sociedad de Promoción de Empresas, S.A. have filed consolidated tax returns since January 1, 2013.

Also Crisnova Vidrio, S.A. and Castellar Vidrio, S.A. taxed on a consolidated tax return basis as of January 1, 2015.

(i) <u>Recognition of deferred tax liabilities</u>

Deferred tax liabilities are recognized for all temporary differences, except those derived from the initial recognition of goodwill, as well as those associated with investments in subsidiaries, associates and entities under joint control in which Vidrala can control the reversal of these and is likely not to revert in the foreseeable future.

(ii) <u>Recognition of deferred tax assets</u>

The Group recognises deferred tax assets, provided that it is probable that sufficient taxable income will be available against which they can be utilised.

Tax planning opportunities are only considered when assessing the recoverability of deferred tax assets if the Group intends to use these opportunities or it is probable that they will be utilised.

A deferred tax asset is recognised for unused tax losses, tax credits and deductions to the extent that it is probable that future taxable profits will be available against which they can be utilised. Certain deductions for investments in property, plant and equipment or business acquisitions are applied in line with the depreciation period of the assets or business plan of the acquired activities which generated the tax credits with a credit to deferred income (see note 15).

(iii) *Measurement*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted. The tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces them to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax assets to be utilised.

Deferred tax assets which do not meet the above conditions are not recognised in the consolidated balance sheet. At the reporting date the Group assesses whether deferred tax assets which were previously not recognised meet the conditions for recognition.

(iv) *Offsetting and classification*

The Group only offsets deferred tax assets and liabilities if it has a legally enforceable right, when they relate to income taxes levied by the same taxation authority and on the same taxable entity and when the taxation authority permits the Group to make or receive a single net payment, or to recover the assets and settle the liabilities simultaneously in each future year in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Deferred tax assets and liabilities are recognised in the consolidated balance sheet under non-current assets or liabilities, irrespective of the date of realisation or settlement.

(r) **Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(s) **Environmental issues**

The Group takes measures to prevent, reduce or repair the damage caused as result of its activities can produce on the environment.

Expenses related to the decontamination and restoration of contaminated sites, waste disposal and other expenses arising from compliance with environmental legislation are recorded in the year in which they are incurred.

Assets acquired by the Group to minimise the environmental impact of its activity and protect and improve the environment, including the reduction or elimination of future pollution caused by the Group’s operations, are recognised in the consolidated balance sheet in line with the recognition, measurement and disclosure criteria detailed in the note on property, plant and equipment.

(t) Foreign currency transactions and balances

The figures disclosed in the consolidated annual accounts are expressed in thousands of euros, the Parent’s functional and presentation currency.

Monetary assets and liabilities denominated in foreign currencies have been translated into euros at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date.

4. Segment reporting

As described below, the Group is organised internally into operating segments, defined as strategic business units. The different strategic business units have similar products and services (the manufacture and sale of glass containers), which are managed separately and aggregated by geographical market as they require different market strategies. The filling and logistics services provided in the United Kingdom (note 1) do not entail a separate segment in that they are considered a complementary service to the manufacture and sale of glass containers. The ordinary income generated by these services represents less than 10% of the Group's total ordinary income.

In accordance with its location, each plant produces for a specific geographical market through a unified commercial structure designed for that market.

Thus, the plants located in Spain and Portugal produce products marketed through the parent company and the subsidiary in France, primarily in the markets of the Iberian Peninsula, France, Belgium, and Germany. The plants located in the United Kingdom produce products marketed under the Encirc brand, through the company of the same name, primarily in the markets of the United Kingdom and Ireland. Finally, the production from the plants located in Brazil is marketed under the Vidroporto brand, through the companies Vidroporto, S.A. and Indústria Vidriera do Nordeste LTDA., primarily in the Brazilian market.

As detailed in Notes 1 and 5 of the consolidated annual accounts, on July 4, 2024, the divestment of the Italian subsidiary occured.

This segmentation matches with the lowest level, or the most detailed level, of information used by management and the board of directors, which have information on production activity and manufacturing costs per production plant, and on sales, operating profit or loss, and margins for the identified segments.

During the fiscal year 2024, following the divestment of the Italian business, the Group has redefined its segmentation structure, establishing the following operating segments:

- United Kingdom and Ireland
- Vidrala Europe
- Brazil

Segment performance is measured based on profit or loss before tax. Segment profit is used as a performance measure since the Group considers this information to be the most relevant in assessing the results of certain segments compared to other groups operating in those businesses.

Segment information related to the consolidated income statements for the years ended 31 December 2024 and 2023:

	Thousands of Euros 2024				
	Vidrala Europe	**Italy**	**United Kingdom & Ireland**	**Brazil**	**Consolidated Financial Statements**
Revenues	742,267	17,016	632,042	199,852	1,591,177
Other income	16,349	111	9,663	2,064	28,187
Changes in inventories of finished goods and work in progress	(39,871)	3,514	(25,070)	(3,660)	(65,087)
Merchandise, raw materials and consumables used	(251,948)	(10,218)	(249,858)	(97,251)	(609,275)
Employee benefits expense	(121,141)	(2,879)	(142,275)	(18,378)	(284,673)
Amortisation costs	(51,196)	(1,822)	(48,920)	(15,782)	(117,720)
Impairment of non-current assets	(4,666)	(4)	(561)	-	(5,231)
Other expenses	(123,481)	(2,965)	(78,728)	(1,196)	(206,370)
Finance income	7,710	-	2,973	3,584	14,267
Finance costs	(10,315)	(614)	(3,978)	(27,644)	(42,551)
Participation in profits (losses) of equity accounted investees	145	-	349	-	494
Profit before income tax from continuing operations	**163.853**	**2.139**	**95.637**	**41.589**	**303.218**
Income Tax	(26.509)	(160)	(25.599)	(12.700)	(64.968)
Profit for the year from discontinued operations	-	60.065	-	-	60,065
Profit for the year from continuing operations	**137.344**	**62.044**	**70.038**	**28.889**	**298.315**

	Thousands of Euros 2023 (*)				
	Vidrala Europe	**Italy**	**United Kingdom & Ireland**	**Brazil**	**Consolidated Financial Statements**
Revenues	799,742	-	609,305	19,147	1,428,194
Other income	17,056	-	6,864	160	24,080
Changes in inventories of finished goods and work in progress	43,613	-	10,263	666	54,542
Merchandise, raw materials and consumables used	(377,650)	-	(296,833)	(9,704)	(684,187)
Employee benefits expense	(128,124)	-	(124,768)	(2,315)	(255,207)
Amortisation costs	(43,743)	-	(42,552)	(915)	(87,210)
Impairment of non-current assets	(4,749)	-	(910)	-	(5,659)
Other expenses	(118,038)	-	(88,830)	(117)	(207,045)
Finance income	7,776	-	593	114	8,483
Finance costs	(8,208)	-	(2,147)	(2,594)	(12,949)
Change in fair value financial instruments	-	-	-	5,607	5,607
Profit before income tax from continuing operations	**187,675**	**-**	**70,985**	**9,989**	**268,649**
Income Tax	(38,773)	-	(14,749)	(1,291)	(54,813)
Profit for the year from discontinued operations.	-	19,559			19,559
Profit for the year from continuing operations	**148,902**	**19,559**	**56,236**	**8,698**	**233,395**

(*) Restated figures

Within the heading 'Sales and provision of services' associated with the Vidrala Europe segment, sales made in Spain amount to 439,204 thousand euros (483,131 thousand euros during 2023).

Non-current assets allocated at 31 December 2024 and 2023:

	Thousands of Euros	
	2024	**2023 (*)**
Vidrala Europe	813,690	857,277
Italy	-	141,643
United Kingdom & Ireland	437,486	434,796
Brazil	297,722	258,816
Equity method	6,546	-
	1,555,444	**1,692,532**

(*) Restated figures

Information of key line items in the consolidated financial statements by geographical areas according to the location of the production assets:

	Thousands of euros					
	2024			**2023 (*)**		
Location	**Assets**	**Liabilities**	**Investments**	**Assets**	**Liabilities**	**Investments**
Vidrala Europe	1,144,646	525,930	118,702	1,181,098	717,688	112,027
Italy	-	-	-	229,277	52,430	4,315
United Kingdom & Ireland	726,109	262,134	40,169	721,940	267,278	27,619
Brazil	430,871	210,278	20,505	376,612	247,199	-
Equity method	6,546	-	-	-	-	-
	2,308,172	**998,342**	**179,376**	**2,508,927**	**1,284,595**	**143,961**

(*) Restated figures

Investments in 2024 and 2023 in the preceding table include additions to property, plant and equipment (see Note 7) and intangible assets (see Note 8) and do not reflect the value of emission rights allocated for the year (see Note 8).

5. Business Combinations

Acquisition of Vidroporto, S.A.

On 9 February 2023 Vidrala announced the acquisition, through its subsidiary Inverbeira Sociedad de Promoción de Empresas S.A., of a 29.36% non-controlling interest in the share capital of Vidroporto S.A. from Brazil for 297 million Brazilian reais, approximately Euros 53 million.

Meanwhile, on 4 December 2023, Vidrala completed the acquisition of a 100% stake in Vidroporto, S.A. through its subsidiary Inberveira Sociedad de Promoción de Empresas, S.A. after signing the contract to purchase the shares it did not already own at that date.

Vidroporto, with its subsidiary Indústria Vidreira do Nordeste, is a competitive Brazilian producer of glass containers, founded on an excellent industrial heritage. It has an experienced management team and strong business relationships with strategic customers. It also operates two high-tech plants located in Porto Ferreira, São Paulo state, south-east region, and Estância, Sergipe state, north-east region, from where it supplies containers to some of Brazil's leading brands in segments such as beer, spirits and soft drinks.

The business acquired generated revenue, consolidated profit before tax and EBITDA for the Group during the period between the acquisition date and the date of presentation of the 2023 consolidated financial statements of Euros 19,147 thousand, Euros 9,989 thousand and Euros 7,778 thousand, respectively.

Has the acquisition taken place on 1 January, the Group's revenue, consolidated profit and EBITDA for the year ended 31 December 2023 including this acquisition would have been Euros 154,969 thousand, Euros 22,393 thousand and Euros 55,457 thousand, respectively.

The amounts recognized, by significant classes, at the date of acquisition of the assets, liabilities, and contingent liabilities, considering the adjustments made during 2024, were as follows:

	Initial fair value		Adjustment Business combination		Fair value after adjustment	
	EUR	BRL	EUR	BRL	EUR	BRL
Goodwill	97,162	520,963	(34,108)	(182,810)	63,054	338,153
Tangible fixed assets	219,934	1,179,240	29,142	156,196	249,076	1,335,436
Intangible assets	332	1,781	36,927	197,924	37,259	199,705
Inventories	36,221	194,208	(3,219)	(17,253)	33,002	176,955
Other current assets	6,458	32,837	-	-	6,458	32,837
Trade receivables and other payables	72,573	360,421	(1,727)	(9,258)	70,846	351,163
Cash and other liquid assets	12,684	65,144	-	-	12,684	65,144
Total Assets	**445,364**	**2,354,594**	**27,015**	**144,799**	**472,379**	**2,499,393**
Trade payables and other accounts payable	17,977	96,389	-	-	17,977	96,389
Non-current and current financial liabilities	179,399	954,260	-	-	179,399	954,260
Provisions	197	1,056	5,207	27,912	5,405	28,968
Deferred tax liabilities	22,317	119,657	21,808	116,887	44,125	236,544
Other liabilities	5,016	26,895	-	-	5,016	26,895
Total Liabilities and contingent liabilities	**206,947**	**1.198.257**	**27,015**	**144,799**	**251,922**	**1.343.056**
Total Net Assets Acquired	**220,458**	**1,156,337**	**-**	**-**	**220,458**	**1,156,337**
Cash flows paid for the acquisition	**220,458**	**1,156,337**	**-**	**-**	**220,458**	**1,156,337**

The cash flows paid for the acquisition correspond to a deduction of 2,543 thousand euros that reflect the impact of other aspects associated with the transaction.

The amount disbursed corresponds to the actual cash outflow made, although the cost of the business combination for the Group amounts to 384 million euros. This figure includes the minority interest acquired at the beginning of the year, the remaining majority interest acquired later, and the debt assumed in Vidroporto, amounting to 168 million euros, which at the closing exchange rate for the fiscal year 2023 would amount to 165.8 million euros. This amount was fully disbursed through the liquid means available in the Group at the date of control acquisition.

The costs associated with the transaction amounted to 1,597 thousand euros, primarily related to legal and similar advisory expenses.

Regarding the factors that have led to the generation of goodwill amounting to 63,054 thousand euros, a significant aspect is the important step that this acquisition represents for Vidrala's long-term strategy by diversifying the business into the growing Brazilian market and creating a platform for potential future development in regions that will offer interesting opportunities. Additionally, it strengthens long-term alliances with strategic customers to manufacture and supply the products offered by Vidrala in the most sustainable way possible.

The accounting for the business combination was completed by the date of preparation of these consolidated annual accounts for the year ended December 31, 2024.

Divestment of the production activity in Italy

On February 27, 2024, the Vidrala Group, through its subsidiary Inverbeira Sociedad de Promoción de Empresas S.A., entered into an agreement with the Verallia Group for the sale of its Italian subsidiary Vidrala Italia, S.R.L. for an amount of 230 million euros, subject to the usual price adjustments in this type of transaction. Finally, on July 4, 2024, Vidrala announced that, once the suspensive conditions applicable to the transaction were fulfilled, it formalized the sale to the Verallia Group of its Italian subsidiary Vidrala Italia S.r.l. for the initially agreed amount (230 million euros).

The divestment occurs after a thorough strategic reflection. It will allow the Vidrala Group to refocus on strategic regions and capture the opportunity to materialize the value created in Italy. Verallia has a historical presence in the Italian market, and the acquisition of our activity will enable them to expand their product offering for the benefit of customers.

Thus, the closing of this transaction has strengthened the financial position of the Group following the receipt from the sale of the indicated business and the disbursement of an extraordinary dividend of 4 euros gross per share.

The impact of the transaction on the consolidated income statement as of December 31, 2024, amounts to a gain of 50 million euros recorded under the heading 'Profit for the period from discontinued operations' in the consolidated income statement. In the same heading, the result generated by the activity of the Italian subsidiary during the first half of the fiscal year 2024, prior to its divestment, is recorded, amounting to 9,518 thousand euros, according to the following breakdown:

	€ Thousand
Revenues	43,646
Other incomes	775
Changes in inventories of finished goods and work in progress	(2,667)
Merchandise, raw materials and consumables used	(20,862)
Employee benefits expenses	(5,013)
Amortisation cost	(304)
Impairment of non-current assets	(1)
Other expenses	(5,508)
Finance cost	(45)
Profit before income tax from discontinuing operations	**10,020**
Income Tax	(503)
Profit for the year from discontinuing operations	**9,518**

The Consolidated Income Statement for the annual period ended December 31, 2023, is presented restated to reflect the impact of the sale of the Italy segment and is classified under the heading 'Profit for the year from discontinued operations,' as detailed below:

	€ Thousand
Revenues	131,292
Services provided	-
Other incomes	3,387
Changes in inventories of finished goods and work in progress	15,232
Merchandise, raw materials and consumables used	(88,543)
Employee benefits expenses	(13,926)
Amortisation cost	(10,655)
Impairment of non-current assets	(333)
Other expenses	(14,124)
Finance income	-
Finance cost	(3,486)
Profit before income tax from discontinuing operations	**18,844**
Income Tax	715
Profit for the year from discontinuing operations	**19,559**

Additionally, the net carrying amounts associated with the main asset and liability items that have been disposed of correspond to the following details:

Assets	**€ Thousand**
Property, plant and equipment	126,402
Deferred Tax Assets	24,864
Inventories	46,036
Trade receivables and other accounts receivable	52,868
Other assets	147
Cash and cash equivalents	5,629
Liabilities	
Provisions and Others	7,353
Deferred Tax Liabilities	4,884
Trade payables and other accounts payable	39,208
Net assets disposed of	**204,502**

The net cash flows attributable to discontinued operations have been as follows:

	€ Thousand €	
	2024	2023
Operating activities	11,558	26,732
Investing activities	230,000	(28,371)
Financing activities	-	-
Net increase /(decrease) on cash&cash equivalents	**241,558**	**(1,639)**

Acquisition of The Park business

On 31 January 2023, Encirc Group subsidiary Encirc Ltd completed the acquisition of the bottling and warehouse business known as 'The Park' from wine producer Accolade Wines Ltd.

The Park, in Bristol (UK), has 80,000 m2 and three bottling lines, with capacity to fill approximately 200 million litres.

Details of the fair value as at 31 December 2023 of the assets acquired and liabilities assumed in the transaction are as follows:

	Fair Value	
	Thousand Euros	Thousand Pounds
Property, Plant and Equipment (Note 7)	42,745	37,647
Right of-use assets (Note 8)	46,123	40,083
Inventories	6,400	5,562
Total Assets	**95,268**	**83,292**
Deferred Tax Liabilities	2,171	1,912
Provisions (Note 19)	10,872	9,448
Finance Lease (Note 8)	46,123	40,083
Total liabilities and contingent liabilities	**59,166**	**51,443**
Total Net Assets acquired	**36,102**	**31,849**

The calculation of the goodwill allocated to the acquisition was as follows:

	Thousand Euros	Thousand Pounds
Payment	38,334	33,761
Net Assets acquired	36,102	31,849
Goodwill	2,232	1,912

The change in goodwill disclosed relative to the amount presented under non-current assets in the consolidated balance sheet as at 31 December 2023 was the result of the fluctuation in the pound sterling's exchange rate since 31 January 2023.

Goodwill generated on the acquisition amounts to approximately Euros 2.2 million, driven primarily by synergies within Encirc Limited for the glass volumes obtained in the filling contracts acquired as part of the business combination.

The transaction costs incurred by the Group amounted to Euros 583 thousand (500 thousand pounds sterling), recognised in the consolidated income statement for the year ended 31 December 2023.

The breakdown of the net cash flow arising on the transaction at 31 December 2023 is as follows:

	Thousand Pounds
Cash paid in the transaction	33.761
Cash acquired in the transaction	-

The contribution of The Park business to the income statement of the Encirc Group subsidiary and, accordingly, the annual income statement for the year ended 31 December 2023 was a negative Euros 11,341 thousand (9,880 thousand pounds sterling), with net revenue of Euros 29,872 thousand (25,945 thousand pounds sterling).

Had the The Park acquisition taken place on 1 January, the Group's revenue would have increased by Euros 2,157 thousand (1,900 thousand pounds sterling) and its loss would have decreased by Euros 1,031 thousand (908 thousand pounds sterling).

The accounting of the business combination had been completed as at the date of authorisation for issue of these consolidated financial statements for the year ended 31 December 2023.

Investments accounted for using the equity method

The movement during the fiscal year 2024, following the acquisition of minority interests in Envasados Eva, S.A. and the Glassco Recycling Ltd subgroup detailed in Note 1 of these consolidated annual accounts, has been as follows:

	Thousands of euros	
	2024	**2023**
Initial Balance	-	-
Additions	6,000	-
Results charged to the income statement	494	-
Others	52	-
Final Balance	**6,546**	**-**

The relevant information regarding the investment in Envasados Eva, S.A. as of December 31, 2024, is shown below (in thousands of euros):

	Envasados Eva, S.A
Non-current assets	7,529
Current assets	11,352
Non-current liabilities	(10,163)
Current liabilities	(5,503)
Net equity	(3,215)
Net revenue amount	11,536
Result	61
Net equity at the time of acquisition	3,154
% Capital	45%
Equity attributable to Inverbeira	1,419
Equity method investment	1,500
Recognized results	145

Additionally, the relevant information associated with the Glassco Recycled Limited subgroup as of December 31, 2024, is shown below (in thousands of euros):

	Subgrupo Glassco Recycled Limited
Non-current assets	6,949
Current assets	3,583
Non-current liabilities	(2,490)
Current liabilities	(4,020)
Net equity	(4,013)
Net revenue amount	15,088
Result	1,910
Net equity at the time of acquisition	3,133
% Capital	20%
Equity attributable to Inverbeira	627
Equity method investment	4,500
Recognized results	349

The Vidrala Group holds a 20% stake in the holding company of this subgroup, RG Recycle Holdings Limited, which owns 100% of the shares of the production company Glassco Recycling Ltd, in which the Vidrala Group holds an indirect stake.

n the initial acquisition, an implicit goodwill of approximately 3 million euros has been identified.

6. Risk Management Policy

(a) Business risks

Risk management in the Vidrala Group involves procedures supervised by the directors, coordinated by management and implemented in each operating area of the organisation.

The main external risk factors affecting our business results in the short-term future, under the current overall business context, are: the continuation of the solid sales context, global economic trends and their potential impact on end-consumer demand for our products; the management of needed inventory levels to serve our customers and subsequent adaptation of production capacities at our facilities; the abnormal inflation in the prices of energy, raw materials and other operating costs necessary to produce and sale glass containers and our ability to transfer these cost increases into our sales prices, through contractual pass through formulas or direct renegotiations; the investment intensity in our industrial perimeter to grow or diversify the business and reduce operating costs

(b) Operational risk

Vidrala, through nine glass production plants and two filling facilities, carries out a continuous productionintensive industrial manufacturing activity that is subject to inherent risks linked to routine operations.

In this respect, during the year 2024, work continued on the review, evaluation and definition of business risks defined as operational and documented in a risk map. The aim was to engage in a dynamic process to identify potential risks, gain a perspective on their impact and probability of occurrence and, principally, to link each area of operations and each business process to adequate control and monitoring systems in order to minimise their potential adverse effects.

(i). Environmental risks

The Vidrala Group declares itself firmly committed to protecting the environment. In order to minimise the impact on the environment, Vidrala implements specific action plans in relation to emissions in the atmosphere, dumping, waste, the consumption of raw materials, energy, water and noise.

Glass manufacturing is an energy-intensive process as melting furnaces are in operation 24 hours a day, 365 days a year. As a consequence of the industrial process, one of the primary management objectives is to reduce contaminating emissions. In order to do this, specific investments are made to upgrade factory facilities and adapt them to the most efficient technological systems for reducing environmental impacts. The result of efforts towards energy efficiency has a global effect on the business, reducing consumption, improving costs and minimising environmental impact. Additionally, operating priorities are focused on the growing use of recycled products as the main raw material for manufacturing glass, which not only avoids the consumption of natural raw materials but also contributes to reducing energy consumption and emissions volumes.

One of the Group’s strategic guidelines is the implementation of environmental management systems. In coherence with this commitment, all Group's production facilities have ISO 14001:2015 certification, demonstrating that Vidrala operates under the guidelines of a global, verified and recognised environmental management system. Furthermore, in line with its undertaking to continuous improvement, we have started implementation and verification processes for new environmental standards such as ISO 14064:2018 in 5 of our manufacturing sites, related to the voluntary declaration of CO2 emissions, or ISO 50001:2018, on energy management systems, already certified in 5 of our factories.

In addition, Vidrala maintains an investment commitment specifically designed to minimise the potential pollutant effect of its facilities. Of special importance in recent years, this concrete effort has materialised in the conclusion of an extensive investment project developed for the installation, in all the production centres, of special systems of purification of atmospheric emissions, denominated electrostatic precipitators or electrofilters. These installations are aimed at reducing emissions of pollutant particles and are recognised as the best technology available for this purpose by the European legislation. The installed electrofilters act to retain the particles generated in the melting process by attracting them through electric fields, reducing the usual emissions of glass melting furnaces by more than 90%. The electrofilters installed in Vidrala have been accompanied by systems for purifying SOx emissions, desulfurisers, which have considerably reduced the emission of this pollutant.

The impacts of climate change are already visible and will worsen without proper action. Reducing our carbon footprint and minimising our climate impact is vital for us. To do so, we have been investing in more energy efficient furnaces, as well as switching to renewable sources of energy to reduce reliance on fossil fuels. Additionally, our plans are formally aligned with the goal of limiting global warming to levels below 1.5°C, after being validated by the Science-based Target Initiative (SBTi) in 2022.

Additionally, the Vidrala Group obtained an ‘B’ rating for Climate Change and ‘B’ for Water Management in the Carbon Disclosure Project questionnaires. The Carbon Disclosure Project (CDP) qualification allows visualising the environmental performance, management and progress in corporate sustainability matters. The report published by the non-profit organisation reaffirms Vidrala’s environmental commitment and its leadership position in sustainability.

Progress in the Group's environmental efficiency is certified annually and documented in a sustainability report / statement of non-financial information, part of the management report of the full year consolidated financial statements

(ii) Occupational health and safety

Aligned with its commitment to the safety and health of its around 4,900 employees, the Vidrala Group has continued strengthening its preventive strategies and improving workplace environments. The company has implemented various measures aimed at risk reduction, promoting a safety culture based on prevention and the well-being of its workforce.

In 2024, accident indicators have shown an increase compared to 2023 (Frequency Index of 17.0 in 2024 compared to 13.6 in 2023), which has led to an evaluation of the causes and the reinforcement of safety measures at all levels of the organization, thereby strengthening the firm commitment to developing increasingly safer work environments.

On the other hand and, as part of its progress in safety management, the company is advancing in the gradual implementation of management systems based on the ISO 45001:2018 standard, which will enable the consolidation of a structured and effective approach to occupational risk management.

These efforts reflect the group's commitment to sustainability and continuous improvement in occupational health and safety, ensuring safer working conditions and strengthening compliance with international standards.

(iii) Supply chain risk

Production-intensive, continuous-service industries such as Vidrala's can be vulnerable to risks of distortion in the supply chain.

With regard to supply risk affecting key assets or products for the production process, management initiatives include the continual and specialised search for supply sources and strengthening ties with suppliers, diversifying and forging long-term relationships, establishing ongoing audit and standardisation processes and developing supply alternatives in all relevant areas. Besides, to ensure stability in volume, quality and price of certain key raw materials, Vidrala plans to move forward with the verticalisation of its activity, deploying a specific strategy for each of the regions in which it operates, adapting to particular risks and casuistry.

Steps taken to address customer service and product quality risks include the development of a specific departmental area, separate from the rest of the organisational areas dedicated exclusively to quality.

Specific investments are being made across all the Group's facilities to guarantee quality targets and optimise product quality control in production plants through implementation of the latest available technological advances.

Concerning inventory risk, the Group systematically carries out specific and periodic control measures to ensure the quality of finished products in the warehouse, to optimise ageing and rotation so that stocks, both in volume and value, are balanced to sales forecasts. These controls have resulted in the implementation of automated stock monitoring processes and the subsequent application of specific physical and valuation measures.

(iv) Risks of inflation in the cost of energy and raw materials

Glass container manufacturing was affected by the inflationary backdrop experienced between 2022 and 2023, with abnormal pressure on production costs that has started to show signs of moderation.

In particular, industrial activity during 2022 was impacted by extreme energy cost inflation, which was intensified by the conflict between Russia and Ukraine and inevitably passed through to other operating cost components.

Energy consumption, mainly natural gas and electricity, represents a significant element of operating costs that is inherent to the glass production and manufacturing process to which Vidrala dedicates its activity. The supply of raw materials is another significant part of cost for the Group. Fluctuations in the variables that give rise to their prices, represented in the natural variability of global commodity markets, affect the cost of the production process and can have a greater or lesser impact on the profitability of the business.

In order to manage the impact of this risk, the Group employs specific control processes to mitigate the potential unforeseen effects on operating margins in the event of inflationary market trends. The Vidrala Group has implemented measures to adapt sales prices and protect the cost of energy, including the implementation of adapted pricing formulas, increased flexibility in supply contracts, continuous monitoring of the market variables that determine them through dedicated management and control departments, and risk monitoring through price hedging strategies, including the contracting of fixed price tariffs and the use of derivative financial instruments to hedge them. Furthermore, as part of the sustainability objectives related to the energy transition and decarbonisation, the Vidrala Group is carrying out an investment plan in self-generation of renewable electricity, which in turn contributes to the gradual mitigation of this risk.

Due to this risk management policy, as of December 31, 2024, the Vidrala Group had contracted protection or hedging instruments against increases in energy commodity prices for a nominal amount equivalent to EUR 58 million. Additionally, some energy supplies have been directly contracted at a fixed price. As a result of these measures, the Group estimates that it has approximately 60% and 20% of the consumption hedged for 2025 and 2026, respectively.

(v) Cybersecurity risk

Cybersecurity risk refers to potential threats and vulnerabilities that may affect control systems or information and communication systems, as well as any other asset supported by information technology systems. Currently, the risk of suffering a cybersecurity attack is real and growing, although no relevant incident in this area has materialised in the Vidrala Group in 2024. The constant advancement of technology has great benefits, while also increases exposure to malicious attacks, sabotage, as well as other intentional acts that can lead to interruptions at the operational level, theft of sensitive information, intellectual and industrial property, etc. with significant impacts on the Group's activity.

In order to manage this risk, the Vidrala Group has a Cybersecurity Master Plan, launched in 2021, that has involved specific investments and spending after an intense analysis resulting from the advice of external consultants, self-assessment of risks and the development of policies and procedures for continuous improvement that help to continue strengthening our control environment. The annual investment volume is adjusted to the projects to be carried out within this continuous cybersecurity plan aimed at keeping risk levels low. Some, but not all, of these improvement tools include the following:

- Cybersecurity manager has sufficient autonomy and independence to carry out his/her functions.
- Various cybersecurity management policies and procedures are in place to ensure compliance.
- Cyber-attack drills and third-party audits are carried out in order to continuously improve our response and business continuity protocols.
- Constant education and training of all workers is promoted as training for the first line of defence.
- There is a Security Operations Center that continuously detects, analyses and reports alerts and possible threats.

(c) Fiscal risk

Vidrala Group operates in a multinational environment, through companies with activities in Spain, Portugal, the United Kingdom, Brazil, France, and Ireland, subject to different tax regulations.

The purpose of Vidrala's fiscal policy is to ensure compliance with applicable regulations in all the tax territories in which the Group operates. That respect for tax regulations is developed in coherence with the purpose of the business, that is to create value in a sustained manner for the shareholder, avoiding tax risks and seeking fiscal efficiencies in the execution of business decisions.

Under tax risks we include those potentially derived from the application of aforementioned regulations, the interpretation thereof within the framework of the Group's corporate structure or the adaptation to tax modifications that may occur.

For its monitoring, Vidrala has a comprehensive risk management system that includes the relevant fiscal risks and the mechanisms for its control. Likewise, the Board of Directors assumes among its powers the supervision of the fiscal strategy.

In order to incorporate the indicated control principles into corporate tax planning, Vidrala assumes among its practices:

- Prevention, adopting decisions on tax matters based on a reasonable and advised interpretation of the regulations, avoiding possible conflicts of interpretation through the use of instruments established by the relevant authorities such as prior consultations or tax agreements, evaluating in advance the investments or operations that present a special fiscal particularity and, above all, avoiding the use of opaque or artificial structures, as well as operations with companies resident in tax havens or any others that have the purpose of avoiding tax burdens.
- Collaboration with tax administrations in the search for solutions regarding tax practices in the countries in which the Vidrala group is present, providing information and tax documentation when requested by the tax authorities, in the shortest possible time and a fully manner, strengthening agreements and, finally, encouraging a continuous dialogue with tax administrations in order to reduce fiscal risks and prevent behaviours likely to generate them.
- Information to the Board of Directors, through the Audit and Compliance Committee, providing information on the fiscal policies and criteria applied and reporting on tax consequences when they are a relevant factor.

Additionally, following the acquisition in Brazil and due to the complexity of its tax system, the Group has established additional control mechanisms to ensure compliance with the current regulations in this country.

(d) Financial risk

Global uncertainty in the financial markets and the growing scale of Vidrala's operations expose the Group to potentially destabilising elements of an external nature. These financial risks require the implementation of specific control mechanisms.

Managing the Group's financial risks focuses on the identification, analysis and monitoring of natural market fluctuations in items that could affect the business's profits. This involves defining systematic measurement, control and monitoring processes to minimise any potential adverse effects and structurally reduce the volatility of results. To hedge certain risks, the Group employs, or is in a position to employ, derivative financial instruments which are described in the annual report.

The most relevant financial risks identified are as follows:

(i) Currency risk

The Vidrala Group operates at international level and is therefore exposed to currency risk on foreign currency operations.

Currency risk affecting the Group's present structure arise, mainly, from the risks inherent in the global expansion of the Group after the incorporation of Encirc Ltd. in 2015 and Vidroporto S.A. in 2023, whose businesses are largely conducted in sterling pounds and brazilian reais. In order to quantify the sensitivity to the currency at a consolidated level, as a result of the above, 50.0% of sales and 51.0% of operating income, EBITDA, obtained during the year 2024 are generated in Pounds Sterling and Brazilian Real, which may be affected by fluctuations in this currency against the Euro. There is also a risk of translating cash generated by the acquired businesses in Pounds Sterling and Brazilian Real to Euros, to repay a debt that was acquired in Euros. The depreciation of any of both currencies against the Euro could reduce its equivalent value in Euros, thus reducing cash.

Quantifying currency risk based on 2024 data, if the sterling pound or brazilian reais depreciate against the Euro by an average of 5% over a year, without considering any hedging or insurance instruments, and the remaining variables remained constant, consolidated profit of the Group would be affected by approximately -1.2% or -0.7%, and annual cash flow would be reduced by approximately -2.9% or -0.3%, in each case.

To control currency risk, Vidrala uses derivative instruments, mainly forwards or options. Thus, as of the this report issuance date, Vidrala has contracted sales structures in pounds sterling with maturities during the year 2025, for an accumulated equivalent value of approximately EUR 46 million, equivalent to approximately 40% protection on the net cash flow expected to be generated during the year 2025 in that currency.

In addition, there is no hedging on force over Brazilien Real, given that the expected net cash flows to be generated along 2025 will be dedicated to reduce the indebtedness of Vidroporto in that currency, obtaining thus a natural hedginig on this currency.

i) (ii)Interest rate risk

Borrowings contracted at variable interest rates expose the Group to the risk of interest rate fluctuations, which in turn affects forecast cash flows.

The Group’s financing policy concentrates the main part of its borrowings on variable rate instruments. The Group manages interest rate risks in cash flows mainly through interest rate swaps. These instruments convert variable-rate borrowings to fixed-rate, thus avoiding the risk of fluctuations in variable interest rates. Generally, the Group obtains long-term variable rate borrowings and swaps them for fixed interest rates. This normally give better rates than had the financing been obtained directly with fixed interest rates. Through interest rate swaps the Group undertakes to periodically exchange the difference between fixed and variable interest with other financial entities. The difference is calculated based on the contracted notional amount. Under interest rate caps the Group has the right, and the counterparty the obligation, to settle the difference between the variable interest rate and the established rate if this is positive. The effectiveness of these instruments as regards fixing the interest rate of contracted financing is assessed and documented using accepted methodologies under applicable accounting legislation.

As a result of this risk control policy, as of December 31, 2024, Vidrala has contracted interest rate hedging instruments in the form of interest rate swaps for a notional of EUR 90 million, expiring in 2026. Thanks to this hedging structure, jointly with financing structures already based on fixed interests rates, the Group debt in euros, along the year 2025, is completely hedged from euro rates potential fluctuations, while the Group debt in brasilian reais is exposed to the fluctuations of the CDI (Interbank Deposits Certificate) rate.

ii) (iii) Credit risk

The Vidrala Group has a well-diversified customer base made up of a combination of large owners of widely recognised global consumer brands, local or regional packers and packaging distribution companies. No customer accounts for more than 10% of revenue. Top ten clients represent approximately 38% of revenue. The 50th percentile of sales is composed of the main 18 customers.

The Vidrala Group has policies to ensure that sales are only made to customers with adequate credit records and solvency in order to minimise the risk of default. This control process involves ongoing solvency analysis, setting specific, assumable risk limits for each customer considering variables such as specific credit metrics, the segment or geographical area in which they operate and preparing detailed individual ratings typical of evolved credit control systems, using a proprietary rating system, complemented with the information and assessment provided by external credit agencies, and validated jointly with the insurance companies the group work with.

Furthermore, control of collection risk is intensified with a second level of control through policies of repeat contracting of credit insurance with external insurance policies to cover the impact of any bad debts. Credit insurance policies taken out for this purpose are intended to cover the economic impact in the event of highvalue claims in which the internal system has not proven effective in predicting insolvency. During 2024, the impact of bad debts has represented 0.07% of the Group’s consolidated sales.

Other credit risks: financing, derivative and cash operations are only carried out with financial entities with high credit ratings.

(iv) Liquidity risk

Vidrala's liquidity risk basically stems from the maturing of current and non-current debt obligations, transactions with derivative instruments and payment commitments with other trade creditors. Group policy is to continually monitor and ensure that sufficient resources are available to meet these obligations, maintain internal control processes through follow-ups of budgets and deviations, and implement any necessary contingency plans.

In order to accomplish these objectives, the Group prudently manages its liquidity risk by adapting maturities to the financed assets, diversifying the sources of financing used and maintaining the availability of immediate financing.

As of December 31, 2024 the Group maintains EUR 774 million in external financing available resources, of which EUR 45 million correspond to promissory notes issued in the Alternative Fixed Income Market (MARF) whose maturities will take place in the short term.

Vidrala bases its financial liquidity management strategy on prudence, flexibility, cost efficiency and the appropriate duration long-term structure. For this reason, in order to maintain a solid financing position capable of assuming the repayment of the maturities of the currently arranged debt, the impact of any unforeseen or change of context in the markets, and maintain an adequate structure to face strategic operations that could require payments agility, the Group has –as of December 31, 2024– EUR 425 million in immediately available, undrawn credit, on top of EUR 100 million in cash and cash equivalents.

(v) Debt and solvency

As of December 31, 2024 Vidrala's consolidated net debt amounted to EUR 248.3 million. As a result, indicators of financial solvency as of December 31, 2024 reflects a leverage of 0.6 times last twelve months EBITDA, evidencing the financial capacity and stability of Vidrala's equity position.

The core part of the financing structure is concentrated in a syndicated financing agreement, signed by a selected group of nine financing entities, for an amount in force at the reporting date of EUR 180 million. Its maturity date is September 13, 2025.

Additionally, in March 2024, the Vidrala Group restructured the debt that Vidroporto had in Brazilian reais, for a total equivalent value of approximately EUR 167 million at that time, through a syndicated issuance of "Debentures" among four financing entities. This financing includes a one-year grace period and monthly maturities between March 2025 and March 2029.

The mentioned financing contract contains certain covenants, mainly in relation to the net debt to EBITDA ratio. All these covenants had been met as of December 31, 2024:

- Net Financial Debt / Consolidated EBITDA Ratio: 0.55x
- Consolidated EBITDA / Consolidated Net Financial Result: 18.80x
-

In addition to the syndicated structure, Vidrala has complementary financing. In the long term, in order to provide flexibility, financial strength and to adapt the Group's debt maturity structure to its future needs, the Vidrala Group has credit lines and additional loans for an amount of EUR 468 million, with maturities between 2025 and 2032. On top of that, for the short-term management of flows and cost efficiency, the Group has a Commercial Paper Program (CPP) registered in MARF for a limit of EUR 200 million which –as of December 31, 2024– is used in EUR 45 million. Finally, the Group has working capital credit lines for limits of EUR 81 million.

(vi) Other risks:

Economic volatility remains a central concern, with fluctuations in economic growth that can affect market stability. In 2024, the Brazilian real faced a devaluation of around 20%, driven by factors such as inflation, which, although it has shown signs of moderation, remains higher than expected, and a negative reaction to the government's fiscal package and its effect on the deficit. These combined factors create an environment of uncertainty that requires prudent financial management and risk mitigation strategies to ensure the sustainability and long-term growth of the business.

7. Property, Plant and Equipment

Details of property, plant and equipment and movement during 2024 and 2023 are as follows:

	Thousands of Euros						
2024	**Balances at 12.31.23**	**Additions**	**Disposals**	**Exits from the perimeter**	**Transfers**	**Translation differences**	**Balances at 12.31.24**
Cost							
Land and buildings	437,061	5,149	(33)	(49,084)	15,031	(2,166)	405,958
Technical installations and machinery	1,327,475	16,083	(19,008)	(115,636)	114,939	(16,236)	1,307,617
Moulds	138,523	10,694	(3,219)	(6,836)	(2,260)	1,440	138,342
Furniture	21,348	3,056	(1,332)	(1,077)	3,154	65	25,214
Other property, plant and equipment	13,041	370	(1,038)	-	-	3,558	15,931
Work in progress	194,140	135,833	-	(4,720)	(130,864)	813	195,202
	2,131,588	**171,185**	**(24,630)**	**(177,353)**	**-**	**(12,526)**	**2,088,264**
Depreciation							
Land and buildings	(145,309)	(19,991)	33	13,977	-	(516)	(151,806)
Technical installations and machinery	(691,415)	(74,762)	19,008	45,185	-	(3,223)	(705,207)
Moulds	(96,730)	(9,343)	3,219	3,661	-	(747)	(99,940)
Furniture	(7,818)	(339)	1,332	5,416	-	(3)	(1,412)
Other property, plant and equipment	(2,392)	-	1,038	65	-	77	(1,212)
	(943,664)	**(104,435)**	**24,630**	**68,304**	**-**	**(4,412)**	**(959,577)**
Impairments							
Moulds	(25,139)	(5,231)		163	-	-	(30,207)
	(25,139)	**(5,231)**		**163**	**-**	**-**	**(30,207)**
Carrying amount	**1,162,785**						**1,098,480**

2023 (*)	Balances at 12.31.22	Additions	Business Combination (Note 5)	Disposals	Transfers	Translation differences	Balances at 12.31.23
	Thousands of Euros						
Cost							
Land and buildings	348,628	4,715	59,092	-	21,730	2,896	437,061
Technical installations and machinery	984,971	49,758	213,068	(7,963)	76,289	11,352	1,327,475
Moulds	130,324	11,280	-	(3,071)	(981)	971	138,523
Furniture	14,734	4,255	1,444	(187)	954	148	21,348
Other property, plant and equipment	9,652	13	3,357	-	19	-	13,041
Work in progress	212,034	64,451	14,860	-	(98,011)	806	194,140
	1,700,343	**134,472**	**291,821**	**(11,221)**	**-**	**16,173**	**2,131,588**
Depreciation							
Land and buildings	(130,180)	(14,045)	-	-	-	(1.084)	(145,309)
Technical installations and machinery	(618,490)	(73,157)	-	7,963	-	(7,731)	(691,415)
Moulds	(93,146)	(6,276)	-	3,071	-	(379)	(96,730)
Furniture	(7,460)	(473)	-	187	-	(72)	(7,818)
Other property, plant and equipment	(2,377)	(15)	-	-	-	-	(2,392)
	(851,653)	**(93,966)**	**-**	**11,221**	**-**	**(9,266)**	**(943,664)**
Impairments							
Technical installations, machinery, moulds and others	(19,147)	(5,992)		-	-	-	(25,139)
	(19,147)	**(5,992)**		**-**	**-**	**-**	**(25,139)**
Carrying amount	**829,543**						**1.162.785**

(*) Restated figures.

Main additions for the fiscal year 2024 correspond to the investments made, primarily in the renewal of furnaces, by the Group in its subsidiaries in Spain, Portugal, and the United Kingdom. Regarding the additions for the fiscal year 2023, it is worth noting the contribution of fixed assets resulting from business combinations (Note 5).

During the fiscal years 2024 and 2023, no significant disposals have occurred, except for the disposals resulting from the divestment of the Italian business.

During the financial year 2022, the Group formalized various "Sale & Leaseback" leasing contracts with financial institutions (Note 16), relating to fixed assets affecting their production plants in Spain. During 2024, no new contracts have been formalized.

(e)Government grants received

In the heading 'Deferred revenues' of the attached consolidated balance sheets, grants awarded by official bodies related to investments in tangible fixed assets made by the Group's companies, pending recognition as income, are included, amounting to 8,291 thousand euros as of December 31, 2024 (9,388 thousand euros as of December 31, 2023) (see Note 15).

(f) Commitments

Commitments for the acquisition of property, plant and equipment are as follows:

	Thousands of Euros	
	2024	2023
Technical installations and machinery	9.622	17,630

(g) Insurance

The Group has taken out insurance policies to cover the risk of damage to its property, plant and equipment. The coverage of these policies is considered sufficient.

(h) Fully depreciated assets

As of December 31, 2024, there is tangible fixed assets with a cost of 706 million euros that is fully depreciated and still in use (543 million euros as of December 31, 2023).

8. Intangible Assets

Details of intangible assets and movement during 2024 and 2023 are as follows:

	Thousand of euros						
2024	**R&D expenditure**	**Emission allowances**	**Computer software**	**Other Intangible assets**	**Customer portfolio**	**Goodwill**	**Total**
Cost							
Balances at December 31 2023	**5,955**	**83,656**	**39,035**	**1,312**	**50,164**	**275,114**	**455,236**
Additions	316	40,135	7,853	22	-	-	48,326
Exits from the perimeter (Note 5)	-	(5,213)	(143)	(15)	-	(12,279)	(17,650)
Disposals	-	(55,173)	(6,168)	(29)	-	-	(61,370)
Transfers	-	-	-	-	-	-	-
Translation differences	36	(639)	1,475	-	(5,779)	(4,160)	(9,067)
Balances at December 31 2024	**6.307**	**62,766**	**42,052**	**1.290**	**44,385**	**258,675**	**415,475**
Depreciation							
Balances at December 31 2023	(4,233)	-	(26,769)	(687)	(13,237)	-	(44,926)
Additions	(587)	-	(3,009)	-	(4,921)	-	(8,517)
Exits from the perimeter (Note 5)	124	-	-	10	-	-	134
Disposals	-	-	6,197	-	-	-	6,197
Translation differences	-	-	-	-	-	-	-
Balances at December 31 2024	**(4,696)**	**-**	**(23,581)**	**(677)**	**(18,158)**	**-**	**(47,112)**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Carrying amount							
At December 31 2023	**1,722**	**83,656**	**12,236**	**625**	**36,927**	**275,144**	**410,310**
At December 31 2024	**1,611**	**62,766**	**18,471**	**613**	**26,227**	**258,675**	**368,363**

	Thousand of euros						
2023 (*)	**R&D expenditure**	**Emission allowances**	**Computer software**	**Other Intangible assets**	**Customer portfolio**	**Goodwill**	**Total**
Cost							
Balances at December 31 2022	**5,057**	**62,456**	**32,308**	**1,168**	**13,237**	**209,890**	**324,116**
Additions	677	93,306	6.498	144	-	2,170	102,795
Business combinations (Note 5)	-	-	332	-	36,927	63,054	100,313
Disposals	-	(72,106)	-	-	-	-	(72,106)
Transfers	221	-	(221)	-	-	-	-
Translation differences	-	-	88	-	-	30	118
Balances at December 31 2023	**5,955**	**83,656**	**39,005**	**1,312**	**50,164**	**275,144**	**455,236**
Depreciation							
Balances at December 31 2022	(3,796)	-	(23,366)	(628)	(13,237)	-	(41,027)
Additions	(437)	-	(3,403)	(59)	-	-	(3,899)
Disposals	-	-	6.197	-	-	-	6.197
Transfers	-	-	-	-	-	-	-
Translation differences	-	-	-	-	-	-	-
Balances at December 31 2023	**(4,233)**	**-**	**(26,769)**	**(687)**	**(13,237)**	**-**	**(44,926)**
Impairment	-	-	-	-	-	-	-
Carrying amount							
At December 31 2022	**1,261**	**62,456**	**8,820**	**540**	**-**	**209,890**	**282,967**
At December 31 2023	**1,722**	**83,656**	**12,266**	**625**	**36,927**	**275,144**	**410,310**

(*) Restated figures

The main variations for the fiscal year correspond to the disposals associated with the exit of Vidrala Italia from the perimeter.

(i) Impairment and allocation of goodwill to CGUs

Until 2023, the Cash-Generating Units (CGUs) identified by the Group corresponded to each of the production subsidiaries and had a direct equivalence with the Group's production plants, except for the subsidiary Encirc Ltd, which included two interconnected factories. Each CGU corresponds to the smallest identifiable group of assets that generates cash inflows that are independent of the cash inflows from other assets or groups of assets.

During the fiscal year 2024, a reorganization of the organizational structure has been carried out, resulting from the modification of the perimeter with the full integration of the Brazilian subsidiary into the group, as well as the divestment of the Italian subsidiary and the succession in the general management of the Group. As a result, three clearly differentiated business units have been established, each led by a general manager. In this context, it has been deemed appropriate to redefine the Cash-Generating Units (CGUs) in line with the segments presented in Note 4 of this consolidated report, as detailed below:

- **Vidrala Europe**, comprising the production plants located in the Iberian Peninsula: Aiala Vidrio, S.A., Castellar Vidrio, S.A., Crisnova Vidrio, S.A., Santos Barosa Vidros, S.A., and Gallo Vidro, S.A., as well as the commercial activity carried out by Vidrala S.A. and the French subsidiary, Vidrala France S.A.R.L.

- **Encirc**, comprising the production plants located in the United Kingdom and Ireland: Encirc Limited.

- **Vidroporto**, comprising the production plants located in Brazil: Vidroporto e Indústria Vidreira Do Nordeste.

For the purpose of conducting impairment tests, goodwill has been allocated to the Cash-Generating Units (CGUs) of the Group according to the production unit that generated it, as summarized below:

		Thousands of euros	
Cash Generating Unit	**Country**	**2024**	**2023**
Vidrala Europe	Portugal Spain France	197,621	197,621
Vidrala Italia (**)	Italy	-	12,279
Encirc	United Kingdom	2,305	2,170
Vidroporto	Brazil	58,749	63,044
		258,675	**275,114**

(*) Restated figures

(**) Divestment of the production activity in Italy detailed in Note 5, which has resulted in the write-off of the goodwill associated with that CGU as part of the divestment carried out.

Impairment tests are conducted for all CGUs of the group, regardless of the existence of allocated goodwill, on an annual basis or prior to that frequency if there are indications of a potential impairment of the asset.

In the case of the CGU associated with Vidroporto, and considering that the effective date of the business combination was December 1, 2023, the Group did not carry out specific impairment tests on that CGU.

The measurements made to quantify the recoverable amount are based on evaluating the value in use of the identified production plants using predictive business models, which have been updated based on current economic conditions, and according to the methodology of discounting future cash flows.

The projections are based on the actual scenario for 2024. Generally, sales growth estimates are constructed as a combination of an expected annual growth of 1% in sales volumes (2% in the case of Vidroporto) and a change in average selling prices equal to the weighted evolution of the projected cost inflation in each region. As a result, a moderate variation in sales is projected, with adequate industrial investments to sustain volume growth, in line with the business's historical performance and under a prudent approach.

For the calculation of EBITDA, production costs are increased according to the annual variation of the general consumer price indices projected for each tested CGU. Due to the significance of energy costs in the cost structure and the particular variability of energy tariffs, specific assumptions are used for the variation of this cost based on the observation of future prices in organized markets related to natural gas, as the best indicator.

The estimated perpetual growth rate in all valuation models ranges from 1.5% to 3.5% annually (1.5% annually in the valuation models prepared in the previous fiscal year). These assumptions are consistent with the historical growth observed in the sector, as well as with the macroeconomic outlook of the geographical regions in which the Vidrala Group operates.

The compound annual growth rate (CAGR) of sales and EBITDA in the projected period is +0.5% and -0.3% (-0.3% and +3.7% in fiscal year 2023), respectively, increases that the Group considers reasonable in the current market context.

The discount rate applied is obtained through assessments based on internal assumptions, and its result is consistent with the discount rates used in independent external financial analyses of Vidrala. Furthermore, they reflect the specific risks of each of the CGUs.

The pre-tax discount rate considered for each of the cash-generating units is as follows:

	2024	**2023**
Cash Generating Unit	**Discount rate**	**Discount rate**
Vidrala Europe	8%	7%
Vidrala Italia	-%	7%
Vidroporto	15%	-%
Encirc	8%	7%

The following assumptions are used to obtain the discount rates in the preceding table:

- Free risk rate associated with the country of the corresponding CGU, between 3.5% and 10% (between 2% and 2.6% in fiscal year 2023).
- Risk premium between 6.0% and 9.3% (7% in fiscal year 2023).
- A beta associated with the country of the corresponding CGU, between 0.99 and 1.01 (1.05 and 1.11 in fiscal year 2023).
- A fixed liability structure based on 1/3 debt and 2/3 equity (the same as used in fiscal year 2023).

The rest of the key assumptions used in the impairment tests performed are as follows:

(i)*Changes in consumer price index*

Estimated in 2024	2025	2026 and following
Vidrala Europe – Spain& Portugal	2.8%	2%
United Kingdom	2.5%	2%
Brazil	4.8%	4%

Estimated in 2023	2024	2025 and following
Vidrala Europe - Spain y Portugal	2.3%	1.5%
Italy	6.2%	1.5%
United Kingdom	7.4%	2.0%

(ii) *Estimated Brent barrel price, in euros:*

	2024	2025	2026	2027	2028	2029
Estimated in 2024 (Gas)	-	39.86	37.93	31.15	26.25	24.35
Estimated in 2023 (Gas)	45.00	38.00	32.00	28.00	27.00	-

As an exceptional measure and due to the cyclical volatility arising from the current macroeconomic environment, a sensitivity analysis of cash flow discount valuations is conducted by analyzing variations in sales and EBITDA of +/-3% in each of the years.

Primarily, the actual evolution of selling prices may behave differently than considered in the valuation models, linked to general inflation indicators. However, it is believed that if this situation occurs, there would also be a proportional behavior in production costs, partially mitigating the impact on EBITDA. Similarly, the actual evolution of production costs may behave differently than considered in the valuation models, influenced by general inflation indicators and future estimates of oil prices. Nevertheless, if this situation arises, a proportional movement in selling prices should also be expected, partially mitigating the impact on EBITDA. Furthermore, the previously described sensitivity analysis on sales and EBITDA should capture the impact under these circumstances and depending on the industrial usage cycle of each facility, the investment figures in each year may be higher or lower than those recorded in the valuation models.

However, it is considered that the rate used is a proven reference of a normalized average annual rate.

The analysis conducted has not revealed any impairment. Additionally, the Vidrala Group does not consider that there are reasonably possible changes in the key updated assumptions within the current market context, including discount rates, that would imply the recognition of an impairment in any of its cash-generating units.

(ii) Fully amortised assets

As of December 31, 2024, there is intangible fixed assets with an updated cost of 31 million euros that is fully amortized and still in use (20 million euros as of December 31, 2023).

(iii) Right-of-use assets

The rights-of-use assets primarily correspond to the lease contracts associated with the facilities acquired as part of the "The Park" business acquisition, as well as various machinery and other facilities used in the Group's operations.

	Cost	**Depreciation**	**Carrying Amount**
At 31 December 2022	**2,935**	**(633)**	**2,302**
Acquisitions from business combinations (Note 5)	46,123	-	46,123
Additions	645	(4,625)	(3,979)
At 31 December 2023	49,703	(5,257)	44,446
Additions	1,485	(4,768)	(3,283)
Translation differences	2,138	(226)	1,912
At 31 December 2024	**53,326**	**(10,251)**	**43,075**

The carrying amounts of lease liabilities and the movements during the years 2024 and 2023 are as follows (note 16):

	2024	2023
Initial balance	**45,382**	**2,346**
Additions due to business combinations (Note 5)	-	46,123
Additions	1,429	643
Accrued finance charges	2,179	2,131
Payments	(6,117)	(5,861)
Translation differences	2,031	-
Final balance at 12/31	**44,904**	**45,382**
Non-current lease liability	41,279	42,269
Current lease liability	3,625	3,113

The amounts recognized in the consolidated income statement for leases in the years 2024 and 2023 are as follows:

	2024	2023
Depreciation of right-of-use assets	4,768	4,624
Finance cost	2,179	2,131
Expenses related to short-term leases and leases of low-value items	6,117	5,861

9. Derivative Financial Instruments

Details of derivative financial instruments are as follows:

	Thousands of Euros			
	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Hedging derivatives				
Interest rate swaps	3,120	-	10,483	-
Inflation swaps	-	64	-	-
Energy price options	26,370	-	-	2,961
Total	29,490	64	10,483	2,961

These financial instruments are classified in accordance with categories established in IFRS 13 using the valuation method, input level 2: unquoted prices obtained from observable markets.

The Group enters into derivative financial instruments with various counterparties, primarily financial institutions with investment-grade credit ratings. The derivatives are valued using valuation techniques with observable market data. They mainly consist of swaps to convert variable prices to fixed prices on interest rates and on underlying energy prices. The most frequently applied valuation techniques include forward pricing and swap models, utilizing present value calculations (discounting cash flows). The models incorporate various inputs, including the credit quality of the counterparties, spot and forward exchange rates for the dollar, euro interest rate curves, and future prices for oil, gas (NBP and TTF), and electricity (OMIE). All derivative contracts are fully cash-collateralized, thereby mitigating both counterparty risk and the Group's default risk.

During 2024, the Vidrala Group has signed a PPA for the supply of renewable energy for a contracted volume of 90,963 MWh that will cover between 20% and 25% of the electricity needs of the next 10 years. The contract came into force in January 2025 and will allow the group to supply clean electricity for its operations in several manufacturing plants on the Iberian Peninsula. All energy will be 100% renewable from wind farms.

(j) Swaps and options

The Group uses swaps and options on interest rates, inflation, foreign currencies and energy prices to manage its exposure to fluctuations in these variables.

The fair values of these instruments are determined by direct reference to observable market interest rate curves at the measurement date.

The Group applies hedge accounting to these swap and option contracts.

The interest rate hedging instruments have an accumulated nominal value of 90 million euros as of December 31, 2024 (190 million euros in 2023), with maturities in 2026. As of December 31, 2024, the market value of these hedges amounted to 3 million euros (10 million euros as of December 31, 2023). Through these contracts, the Group will pay a fixed interest rate ranging from -0.185% to -0.02%

In order to control and mitigate exchange rate risk, Vidrala uses hedging derivative instruments, primarily forward sale contracts and currency put options. As a result of the risk management described, as of the date of issuance of this report, Vidrala has hedges on British pounds, with maturities during the year 2025, for an accumulated nominal value of approximately 46 million euros, equivalent to about 40% protection on the expected net cash flow to be generated in pounds during the fiscal year 2025.

The energy price hedging instruments have an accumulated nominal value of 67 million euros as of December 31, 2024 (31 million euros in 2023). These hedges have maturities between the years 2025 and 2034. The value of the asset associated with these hedges as of December 31, 2024, amounts to 26.370 thousand euros (2.961 thousand euros in liability as of December 31, 2023).

The total amount of cash flow hedges that has been recognized in equity and the amount that has been transferred from other comprehensive income to profit or loss, recorded in the Consolidated Income Statement, is as follows:

	Thousands of Euros Income/(Expenses)	
	2024	**2023**
Other comprehensive income	16,902	3,561
Reclassification to finance costs	8,465	(13,839)
	25,367	**(10,278)**

The classification of cash flow hedges by reporting periods in which the cash flows are expected to occur, which coincides with those expected to impact the consolidated income statement, is as follows:

	Thousands of Euros						
	2024						
	Carrying Amount	Expected Cash flows	Occurrence of cash flows				
			2025	2026	2027	2028	2029
Interest rate swaps	3,121	3,121	1,964	1,157	-	-	-
Currency swap	(64)	(64)	(64)	-	-	-	-
Energy price options	26,370	26,370	21,038	2,706	539	298	1.789

	Thousands of Euros						
	2023						
	Carrying Amount	Expected Cash flows	Occurrence of cash flows				
			2024	2025	2026	2027	2028
Interest rate swaps	10,483	10,483	4,829	3,673	1,981	-	-
Currency swap	-	-	-	-	-	-	-
Energy price options	(2,961)	(2,961)	(2,961)	-	-	-	-

10. Income Tax

Details of deferred tax assets and liabilities by type of asset and liability are as follows:

	Thousand euros					
Deferred tax assets	**Loans for losses to be offset**	**Provisions for personnel**	**Rights to tax deductions and credits**	**Financial liabilities**	**Other**	**Total**
At 31 December 2022	**7,362**	**737**	**6,657**	**3,144**	**21,932**	**39,832**
(Debit) credit to income statement	-	3,120	3,035	-	10,703	16,858
Debit (credit) to other comprehensive income	-	-	-	720	-	720
At 31 December 2023	**7,362**	**3,857**	**9,692**	**3,864**	**32,635**	**57,410**
(Debit) credit to income statement	-	-	(1,576)	-	(1,445)	(3,021)
Debit (credit) to other comprehensive income	-	-	-	(211)	-	(211)
Derecognitions due to perimeter exit	(5,699)	-	-	-	(15,934)	(21,633)
At 31 December 2024	**1,663**	**3,857**	**8,116**	**3,653**	**15,256**	**32,545**

	Thousand euros				
Deferred tax liabilities	**Goodwill**	**Tangible Assets**	**Financial liabilities**	**Other**	**Total**
At 31 December 2022	**28,811**	**32,850**	**5,239**	**14,278**	**81,178**
(Debit) credit to income statement	3,616	-	-	-	3.616
Debit (credit) to other comprehensive income	-	-	(1,161)	(1,041)	(2.202)
Business combinations (Note 5)	44,125		-		44,125
Translation differences	3,151	-	-	-	3.151
At 31 December 2023 (*)	**79,703**	**32,850**	**4,078**	**13,237**	**129,868**
(Debit) credit to income statement	2.559	11,272	-	1,329	15,160
Debit (credit) to other comprehensive income	-	4,223	1,865	-	6,088
Translation differences	(8,197)	-	-	-	(8,197)
Exits from the perimeter	-	(6,173)			(6,173)
At 31 December 2024	**74,065**	**42,172**	**5,943**	**14,566**	**136,746**

The variation for the year associated with the "Deferred tax assets" item is primarily related to the derecognition of the tax credits held by the Italian subsidiary, which was sold in mid-2024 (Note 5).

The "Other" item under "Deferred tax assets" mainly includes the temporary differences arising from the acquisitions of Santos Barosa Vidros SA in 2017 and Encirc Limited and Encirc Distribution Limited in 2015, as well as other temporary differences associated with adjustments in inventory.

The Directors of the parent company believe that, given the current level of profits, the recoverability of all deferred tax assets is assured.

The "Tangible assets" item under "Deferred tax liabilities" primarily reflects the tax effect derived from the accelerated depreciation of various fixed assets.

Additionally, the "Goodwill" item mainly corresponds to the accumulated effect of the tax deductibility applied to the goodwill associated with Santos Barosa Vidros, S.A. and Vidroporto, S.A.

The total amount of deferred income tax related to items charged/(credited) directly against other comprehensive income during the fiscal year 2024, corresponding to hedging operations, amounted to (6.088) million euros (2.467 million euros as of December 31, 2023).

Details of the income tax expense are as follows:

	Thousands of Euros	
	2024	**2023**
Current tax	65,376	63,249
Prior year adjustments	(5)	-
Deferred tax		
Source and reversal of temporary differences	-	(4,215)
Application on capitalized deductions	3,981	(3,035)
Adjustments for change type of tax	-	-
Expense for reduction of deferred tax assets	-	-
Income for increase of deferred tax assets	(3,627)	(1,405)
Expense for increase of deferred tax liabilities	4,699	-
Income for reduction of deferred tax liabilities	(4,002)	-
Prior year adjustments	-	-
Other	(1,454)	219
Total	**64,968**	**54,813**

Details of the income tax expense related to profit from continuing operations are as follows:

	Thousands of Euros	
	2024	2023
Profit for the year before income tax from continuing operations	303,218	287,493
Tax calculated at the tax rate of each country	99,939	68,685
Carry forward of unused tax losses		-
Deductions for the year	(3,215)	(2,961)
Prior year adjustments	(20)	(18)
Adjustments for changes in tax rate	-	-
Income for reduction in deferred tax liabilities	-	(1,405)
Other adjustments	(3,641)	185
Permanent differences	(28,095)	(9,673)
Income tax expense	**64,968**	**54,813**

The permanent differences primarily correspond to the exemption associated with the capital gain from the sale of the Italian subsidiary (Note 5)

In general terms, the non-prescribed fiscal years are open to inspection according to the various tax legislations applicable to each of the Group's companies.

The years open to inspection for the different companies in the Vidrala Group vary between four and five years for those located in Spain, and between three and four years for those located outside of Spain.

According to current legislation in Spain, taxes cannot be considered definitively settled until the submitted declarations have been inspected by the Spanish tax authorities, or the four to five-year statute of limitations has elapsed. As a result, among other factors, different possible interpretations of the current tax legislation could lead to additional liabilities beyond those recorded as a result of an inspection. In any case, the Directors believe that such liabilities, if they arise, would not significantly affect the consolidated annual accounts for 2024 taken as a whole.

On December 15, 2022, Directive (EU) 2022/2523 was approved, which guarantees "a minimum level of taxation for multinational corporate groups and large national groups in the Union." This, associated with the commitment to coordinated fiscal policy promoted within the G20/OECD, commonly referred to as "Pillar II," defines the existence of a complementary tax ("Top-up Tax") that is paid by the parent company of a group of companies when the subsidiaries do not reach a minimum taxation level of 15% in each jurisdiction.

The aforementioned Directive has been transposed in Spain in the fiscal year 2024 through Law 7/2024 of December 20 ("Pillar II Law"), establishing safeguard rules (safe harbors) that allow for the application of a transitional regime for the periods between 2024 and 2026. In the case of Álava, the global minimum complementary tax has been approved by the Urgent Fiscal Regulatory Decree 3/2024, issued by the Foral Government Council on December 27, referring to the state regulations. For these purposes, the Group is a liable taxpayer for the new complementary tax.

After conducting the analysis, the Group, in most of the countries where it operates, meets at least one of the three requirements defined in the Pillar II Law concerning safe harbors, and therefore, there will be no complementary tax payable in those jurisdictions. In the remaining countries, where it cannot benefit from the safe harbor exemption, a detailed calculation of the complementary tax has been performed, and no significant impact is expected for the Group.

It is also important to highlight that Law 7/2024 provides, in its First Transitional Provision, a transitional regime for the first application of deferred tax assets and liabilities, as well as for assets transferred during the transitional tax period. In this context, the specified provision establishes that the tax rate in each jurisdiction during the transitional tax period—understood as the first tax period in which a multinational or national group must first apply the provisions of Law 7/2024 in each jurisdiction—and in each subsequent period, will be calculated taking into account all deferred tax assets and liabilities recorded or detailed in the financial statements of the entities constituting the relevant jurisdiction, existing at the beginning of the aforementioned transitional period.

For the purpose of applying the transitional regime for first application provided in Law 7/2024, and in particular, to ensure that they are considered as covered taxes adjusted for the determination of the effective tax rate of the Spanish jurisdiction calculated according to the rules of the new tax, the value of all deferred tax assets and liabilities, whether recognized in accounting or not, is broken down by tax attributes (temporary differences, negative taxable bases, deductions, etc.) existing at the beginning of the transitional tax period, that is, as of January 1, 2024. For relevant purposes, the value of the deferred tax assets and liabilities corresponding to temporary differences and other tax attributes is expressed in two ways: on one hand, the deferred tax asset or liability for Corporate Tax purposes is shown, taking into account the applicable tax rate at the end of the fiscal year 2024, which is 28%; and on the other hand, the deferred tax asset or liability is also shown in a potential Pillar Two context, considering a tax rate of 15%.

The Company presents the following details of deferred tax assets and liabilities by country:

	2024		**2023**	
	Activated	**Not Activated**	**Activated**	**Not Activated**
Deferred Tax Assets				
Spain	23,721	-	26,203	-
Portugal	3,411	-	3,203	-
United Kingdom	5,413	-	5,999	-
France	-	-	-	-
Brazil	-	-	372	-
Italy	-	-	21,633	-
Total	**32,545**	**-**	**57,411**	**-**

There are no significant unrecognized deferred tax assets.

Deferred Tax Liabilities	2024	2023(*)
Spain	40,299	38,203
Portugal	5,086	1,430
United Kingdom	52,274	36,785
France	-	-
Brazil	39,086	47,276
Italy	-	6,173
Total	**136,746**	**129,868**

(*) Restated figures.

11. Inventories

Details of inventories are as follows:

	Thousands of Euros	
	2024	2023 (*)
Raw materials	24,055	27,147
Auxiliary and production materials	77,346	93,901
Finished goods and work in progress	181,000	245,235
	282,401	**366,283**
Impairment	(33,324)	(30,272)
	249,077	**336,011**

(*) Restated figures.

As of December 31, 2024, and 2023, there are no inventories with a recovery period exceeding 12 months from the date of the consolidated balance sheet.

The companies in the Group have taken out insurance policies to cover the risks of fortuitous or accidental events to which the inventories are subject. The coverage of these policies is considered sufficient.

Finished goods impairment amounts to 7.652 thousand euros (6.800 thousand euros as of December 31, 2023), while the impairment associated with "Auxiliary and manufacturing materials" amounts to 25.672 thousand euros (23.472 thousand euros as of December 2023).

Reductions and reversals in the value of inventories are recognized with a credit to the items "Change in inventories of finished goods and work in progress" in the consolidated income statement for finished goods and work in progress; and "Consumption of raw materials and other supplies" in the consolidated income statement for the rest of the inventories.

12. Trade and Other Receivables

Details of trade and other receivables are as follows:

	Thousands of Euros	
	2024	2023(*)
Trade receivables	344,965	354,233
Personal	2,132	-
Other loans	6,204	9,973
Less impairment (Note 24)	(11,086)	(9,904)
Total	**342,215**	**354,302**

(*) Restated figures.

The carrying amount of the balances of trade receivables and other accounts receivable recorded does not present significant differences compared to their fair value.

There is no concentration of credit risk regarding trade receivables, as the Group has a diversified customer base composed of a large number of clients spread across different geographies.

As of December 31, 2024, and 2023, the Group did not hold balances from customers or accounts receivable that were advanced or discounted with financial institutions.

13. Other Current Assets and Liabilities

Details of other current assets are as follows:

	Thousands of Euros	
	2024	2023
Public entities		
Value added tax	18,521	31,223
Other items	909	4,230
	19,430	**35,453**

Details of other current liabilities are as follows:

	Thousands of Euros	
	2024	2023
Public entities		
Value added tax	21,378	22,201
Withholdings and payments on account	3,752	4,206
Social Security	5,347	5,218
Other	371	575
	30,848	**32,200**

14. Equity

The composition and movement of equity are presented in the statement of changes in equity. The composition and movement of Other reserves and retained earnings are presented in the Appendix.

(k) Capital

Movement of issued and outstanding shares in 2023 and 2022 is as follows:

	Number Of shares outstanding	Thousand of euros Ordinary shares	Own shares	Total
At December 31 2022	**30,726,777**	**31,241**	**-**	**31,341**
Acquisition of own shares	-	-	-	-
Share capital increase	1,536,338	1,567	-	1,567
Share capital decrease	-	-	-	-
At December 31 2023	**32,263,115**	**32,908**	**-**	**32,908**
Acquisition of own shares	-	-	-	-
Share capital increase	1,596,655	1,629	337	1,966
Share capital decrease	(330,000)	(337)	(337)	(674)
At December 31 2024	**33,529,770**	**34,200**	**-**	**34,200**

The movement on own shares is the following:

	Number of own shares 2024	2023
At January 1	**-**	**-**
Acquisition of own shares	330.000	-
Sale of own shares	(330.000)	-
At December 31	**-**	**-**

As of December 31, 2023, the share capital of Vidrala, S.A. was represented by 32,263,115 shares with a nominal value of one euro and two cents (1.02 euros) each (32,908 thousand euros), fully paid up and listed on the Madrid and Bilbao stock exchanges.

Regarding treasury shares, the Board of Directors of Vidrala, S.A. on December 20, 2023, granted powers to proceed with their derivative acquisition, either directly or through group companies, and to reduce the share capital, if applicable, in order to amortize treasury shares, delegating the necessary powers for execution to the Board of Directors.

Under this agreement, the Board authorized a new program for a duration of 12 months to acquire up to 330,000 shares for an effective amount of 33 million euros. The purpose of this program is to amortize treasury shares, thereby increasing the earnings per share attributable to each shareholder as a complementary tool for shareholder remuneration alongside cash dividends.

Thus, on September 23, 2024, the Company announced the completion of the buyback program prior to its deadline, which was set for December 20, 2024, having reached the maximum number of shares to be acquired under this program. In total, 330,000 shares were acquired for an effective amount of 31.1 million euros, equivalent to an average price of 94.24 euros.

Following this announcement, on September 27, 2024, the Board of Directors of the Company agreed to proceed with a capital reduction of 337 thousand euros through the amortization of 330,000 treasury shares (approximately 1% of the share capital prior to the reduction) acquired under the buyback program.

In order to adapt the capital structure to each situation, Vidrala can adjust the amount of dividends payable to shareholders, repurchase or sell treasury shares, reduce capital through the amortization of treasury shares, return capital, issue shares, or sell assets to reduce debt.

Additionally, the Ordinary General Meeting of Shareholders of Vidrala, S.A. held on April 30, 2024, agreed to increase the share capital by 1,629 thousand euros through the issuance and circulation of 1,596,655 new ordinary shares with a nominal value of 1.02 euros each, without issue premium, of the same class and series as those already in circulation, charged to freely disposable reserves, in order to allocate them free of charge to the shareholders of the Company, in the proportion of one (1) new share for every twenty (20) existing shares of the Company.

Thus, following the execution of the operation on November 11, 2024, and after the end of the trading period for the rights of free allocation on November 25, 2024, the share capital of Vidrala, S.A. is set at 34,200 thousand euros, divided into 33,529,770 shares with a nominal value of one euro and two cents (1.02 euros) each.

The Vidrala Group controls its capital structure based on various indicators. One of them is the ratio of equity to the total of its net equity and liabilities on the balance sheet, aiming for this ratio percentage not to be less than 20% in terms of consolidated balance sheet.

In 2024, the Group's capital ratios increased, as shown in the following ratios for 2024 and 2023:

	Thousands of Euros	
	2024	**2023**
Total equity	1,309,830	1,224,332
Total equity and liabilities	2,308,172	2,508,927
Total equity/total equity and liabilities	56,75%	48,80%

On the other hand, the Vidrala Group monitors its levels of indebtedness and solvency based on the ratios of net debt to EBITDA, net debt to equity, and EBITDA to financial expenses.

This calculation was performed as follows:

	Thousands of euros	
	2024	**2023**
Net financial debt	248,314	472,160
Equity	1,309,830	1,224,332
Debt ratio	0,19	0,39

Net financial debt is understood as the sum of current and non-current loans and borrowings, less cash and cash equivalents in the accompanying consolidated balance sheet.

As mentioned in Note 16 and the financing contract, Net Financial Debt does not include the effect of IFRS 16, which represents an increase of EUR 45 million under "Debts to credit institutions".

The Group's financial solvency indicators at year-end reflect a total debt equivalent to 0,55 times accumulated EBITDA in the last year (1,08 at the end of the previous year) and lower than equity, at a ratio of 0.19 times to 1 (0.39 at the end of the previous year). Likewise, the interest coverage ratio, measured as EBITDA for the year over consolidated net financial result, amounts to 18,80 times (21.11 at the end of the previous year).

(l) Other reserves

(i) Revaluation reserve Provincial Law 4/1997

The balance recorded in Revaluation Reserves corresponds to the revaluation carried out in the parent company in accordance with the Foral Norm 4/1997, of February 7, on Balance Sheet Revaluation, by the Foral Government of Álava. Vidrala updated its tangible fixed assets in the fiscal year 1996. The net amount of the revaluation amounted to 3.8 million euros. These reserves are available as of December 31, 2024, and 2023.

- **(ii) Revaluation reserve**

In fiscal year 2024 and 2023 no movements have been recorded under this heading.

- **(iii) Capitalisation reserve**

The capitalisation reserve was allocated in accordance with Article 51 of Regional Law 37/2013, of 13 December, on Corporate Income Tax in Alava, which requires allocation of the reserve in the amount eligible for deduction from the tax group's taxable income for the year.

Tax payers may deduct from the tax base an amount equal to 10% of the increase in equity net of the related tax effect from the previous year. In these cases, they must earmark the increase to a non-distributable reserve for a minimum period of five years starting from the end of the tax period in which the deduction was taken, except for the portion of the increase included in capital. During this five-year period, the amount of the Company's equity net of the related tax effect must remain unchanged or increase, except in the event of a reduction caused by accounting losses. The increase in equity net of the related tax effect arising from the allocation to legal or bylaw-stipulated reserves is not eligible for applying this article.

At December 31, 2024 the Group has included a non-distributable capitalisation reserve of Euros 603,500,000 (565,750,000 in 2023) within voluntary reserves.

- **(iv) Legal reserve**

The legal reserve has been appropriated in compliance with article 274 of the Revised Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

(m) Other comprehensive income – Cash flow hedges

Movement in cash flow hedges and the tax effect, is as follows:

	Thousands of Euros		
	Cash flow hedges	Tax effect	Net
Balances at December 31 2022	**11,871**	**(2,894)**	**8,977**
Income and expenses generated during the year	3,561	(855)	2,706
Reclassification to profit or loss	(13,839)	3,322	(10,517)
Balances at December 31 2023	**1,593**	**(427)**	**1,166**
Income and expenses generated during the year	16,902	(4,056)	12,846
Reclassification to profit or loss	8,465	(2,032)	6,433
Balances at December 31 2024	**26,960**	**(6,515)**	**20,445**

(i) Translation differences

They primarily correspond in their entirety to the effect of the translation of the financial statements of the subsidiary Encirc, whose functional currency is the British pound, as well as the effect of the translation of the financial statements of the Brazilian subsidiaries. The negative impact for the year amounts to (22.092) thousand euros (positive impact of 8.318 thousand euros as of December 31, 2023) resulting from the depreciation of the pound against the euro.

(ii) Defined benefit plans

It corresponds entirely to the cost of defined benefit pension plans and other post-employment medical benefits of the subsidiary Encirc, with the impact in other comprehensive income being (241) thousand euros negative (2 thousand euros positive in 2023) (see note 19).

(n) Dividends and restrictions on distribution of dividends

The total amount of dividends paid by Vidrala to shareholders during the fiscal year 2024 has reached 173,938 thousand euros (37.551 thousand euros in 2023).

Following the confirmation of the closure of the sale of Vidrala Italia, and in accordance with the agreement adopted by the General Shareholders' Meeting held on April 30, 2024, the Board of Directors decided to distribute an extraordinary dividend of 4.00 euros gross per share, which was paid on July 12, 2024, amounting to 128.574 thousand euros.

The amount paid as an attendance bonus to the General Shareholders' Meeting during the fiscal year 2024 has amounted to 1.150 thousand euros (1.050 thousand euros in 2023).

The distribution of profits and reserves of the parent company for the fiscal year ended December 31, 2023, approved by the General Shareholders' Meeting held on April 27, 2024, has been as follows:

Basis of allocation	Euros
Profit for the year	123,235,142,54
Distribution	
Legal reserves	313,413,00
Other reserves	77,575,921,41
Dividend	12,501,957,06
Interim dividend	32,843,851,07
	123,235,142,54

The Board of Directors of the parent company, on December 19, 2024, agreed to distribute an interim dividend of 1.1198 euros per share, equivalent to a gross disbursement of 37.547 thousand euros, which was paid on February 14, 2025.

These amounts to be distributed did not exceed the profits obtained since the end of the last fiscal year by the parent company, after deducting the estimated corporate tax to be paid on those profits, in line with the provisions of Article 277 of the Consolidated Text of the Capital Companies Act.

The projected liquidity statement prepared in accordance with legal requirements, which demonstrated the existence of sufficient liquidity for the distribution of the aforementioned dividend, is presented below:

	Thousands of Euros
Forecast distributable profit for 2024	
Projected profit after income tax to 12.31.2024	
Interim dividend distributed	37,547
Forecast cash flow for the one-year period from December 16, 2024	
Cash and cash equivalents at agreement date	1,372
Credit facilities available at agreement date	410,986
Projected operating receipts and payments (net)	72,970
Other cash disbarments	(61,750)
Credit facilities available (one year later)	**423,578**

The proposed distribution of 2024 profit and other Parent reserves to be submitted to the shareholders for approval at their annual general meeting is as follows:

	Euros
Basis of application	
Profit for the year	146,964,851,79
Distribution	
Legal reserve	258,397,60
Other reserves	94,872,782,74
Dividend	14,287,035,00
Interim dividend	37,546,636,45
	146,964,851,79

15. Deferred Income

Details of this caption are as follows:

	Thousands of Euros	
	2024	**2023**
Capital grants (note 7(e))	8,291	9,532
Tax credits for investments	-	(144)
	8,291	**9,388**

In 2024 and 2023, the Group has not incorporated additional capital grants, with the gross allocation to the consolidated income statement for these grants in fiscal year 2024 amounting to 266 thousand euros (4,116 thousand euros in 2023) (see note 22).

16. Financial Liabilities

Details of current and non-current loans and borrowings are as follows:

	Thousands of Euros			
	2024		2023	
	Non-current	Current	Non-current	Current
Loans and borrowings	198,508	42,108	310,089	145,802
Finance Lease - NIIF 16 (Note 8)	41,279	3,625	42,269	3,113
Finance Lease - Others	60,365		60,857	278
Other financial liabilities	472	45,146	1.062	34,220
Accrued interest	-	1,809	-	1,358
	300,624	**92,688**	**414,277**	184,771

Non-current loans and borrowings mature as follows:

	Thousands of Euros	
	2024	2023
2 years	140,789	21,887
Between 3 and 5 years	153,506	247,126
More than 5 years	6,329	145,264
	300,624	**414,277**

Some of these contracts contain financial covenant clauses. At 31 December 2024 and 2023 the Group complies with these requirements.

The parent company of the Group, Vidrala, S.A., has a Commercial Paper Program registered in the Alternative Fixed Income Market (MARF), renewed on July 24, 2024, with a maximum limit of 200 million euros and an annually renewable term. Through this program, the Company can issue commercial papers with maturities ranging from 3 to 730 days, with interest rates set based on the supply and demand conditions at the time of issuance, which will depend on market conditions, the term structure of the interest rate curve, and the investors' perception of the credit quality of the issuer.The range of interest rates at which the Company has issued commercial papers during fiscal year 2024 has varied between 3.10% and 4.20% per annum, excluding placement fees. The total amount of commercial papers issued during fiscal year 2024 amounts to 253 million euros, of which 45 million euros were outstanding as of December 31, 2024, reflected in the account of other financial liabilities, with maturities occurring between January and March 2025.Based on the described conditions, the Company expects to meet the maturities of these issuances during 2025 through the expected cash generation from the business or through new issuances, progressively aiming to optimize the structure of maturities and interest rates while continuing to diversify funding sources. In any case, at the end of fiscal year 2024, the Group maintains sufficient liquidity in the form of immediately available unused long-term bank financing resources to cover all maturities.

The terms and conditions of these loans and borrowings are as follows:

					Thousand euros			
					2024		2023	
Type	Extended	Maturity	Granted limit / nominal value 2024	Granted limit / nominal value 2023	Current	Non-current	Current	Non-current
Loan	2015	2024	-	80,000	-	-	80,000	-
Credit facility	2015	2025	180,000	180,000	-	-	-	-
Loan	2018	2027	40,000	40,000	-	40,000	-	40,000
Credit facility	2018	2027	40,000	40,000	-	10,000	-	-
Loan	2017	2029	-	45,000	-	-	4,500	22,500
Loan	2021	2024	-	25,000	-	-	25,000	-
Loan	2022	2027	20,000	20,000	-	20,000	-	20,000
Loan	2022	2027	-	40,000	-	-	-	40,000
Loan	2022	2032	17,500	17,500	-	17,500	-	17,500
Loan	2021	2028	-	111,903	-	-	24,879	75,978
Loan	2023	2028	-	55,951	-	-	1,166	54,786
Loan	2024	2029	140,000	140,000	29,181	110,890	-	-
Credit facility	2010	2027	50,000	50,000	-	-	-	-
Credit facility	2023	2028	50,000	50,000	-	69	-	20,000
Credit facility	2024	2029	25,000	-	-	41	-	-
Credit facility	2024	2028	25,000	-	-	8	-	-
Credit facility	2023	2024	-	4,662	-	-	4,662	-
Credit facility	2023	2024		5,595	-	-	5,595	-
Credit facility	2023	2025	9,325	9,325	7,782	-	-	9,325
Other short-terms credit facilities	2024	2025	73,000	65,384	5,145		-	10,000
					42,108	**198,508**	**145,802**	**310,089**

The following table presents changes in liabilities from financing activities in compliance with the required disclosures of IAS 7:

	Thousands of Euros					
	1 January 2024	Cash flows	Business Combination (Note 5)	Translation differences	Other	31 December 2024
Current loans and borrowings	184,771	(91,432)	-	(651)	-	92,688
Non-current loans and borrowings	414,277	(104,264)	-	(9,389)	-	300,624
Dividends payables (Note 17)	32,844	(32,844)	-		37,547	37,547
Total liabilities from financing activities	**631,892**	**(228,540)**	**-**	**(10,040)**	**37,547**	**430,859**

	Thousands of Euros					
	1 January 2023	**Cash flows**	**Business Combination (Note 5)**	**Translation differences**	**Other**	**31 December 2023**
Current loans and borrowings	50,089	95,267	39,703	(288)	-	184,771
Non-current loans and borrowings	273,464	(41,545)	185,078	(2,720)	-	414,277
Dividends payables (Note 17)	27,199	(27,199)	-	-	32,844	32,844
Total liabilities from financing activities	**350,752**	**26,523**	**224,781**	**(3,008)**	**32,844**	**631,892**

On March 13, 2015, the Company entered into a syndicated financing agreement for 465 million euros, in order to finance the acquisition of Encirc Ltd. In subsequent years, various novations were made to this agreement in order to adjust its conditions to the market in terms of duration and cost, including an extension of the limits of this structure due to the acquisition of Santos Barosa Vidros, S.A which took place in 2017.

The last amendment occurred on July 19, 2021, in which it was agreed to extend the revolving credit line for its full amount of 180 million euros until 2025, with no substantial additional modifications to the formal agreement.

As a result of all the above, as of December 31, 2024, the long-term syndicated loan has been fully amortized by its maturity date, and the 180 million euro revolving credit is unused, fully available, and maturing in 2025. This structure is considered sustainable following the amendment made in 2019.

The interest rate applicable to the syndicated financing structure is reviewed semi-annually based on the evolution of the "Net Debt / Consolidated EBITDA" ratio.

This ratio, as stated in the financing contract, does not include the effect of IFRS 16, which results in an increase of 44.9 million euros in the "Debts with credit institutions" item and 6.1 million euros in Consolidated EBITDA (45.4 and 5.9 million euros, respectively, in fiscal year 2023).

The contract contains clauses with commitments linked to certain financial stipulations (covenants), which are common in contracts of this nature, and non-compliance could lead to an early maturity situation of the financing.

As of the date of preparation of these Annual Accounts, these commitments are being met, with the following indicators certified as of December 31, 2024:

- Net Financial Debt / Consolidated EBITDA Ratio: 0.55x
- Consolidated EBITDA / Consolidated Net Financial Result: 18.80x

In the financing contract, due to its sustainable nature, certain commitments to improve the environmental performance of the Vidrala Group are included. It is agreed that the margin applicable to the disbursements of any tranche will be modified based on the carbon dioxide emissions index:

- CO2 Emissions Index = Tons of CO2 emitted by the Group / Tons of packaged glass (palletized and labeled).

The emission ranges will influence the margin by applying an increase or decrease of up to 0.015% in the applicable margin.

In addition to the syndicated financing structure and the current commercial paper program, the Vidrala Group obtained financing through a long-term loan granted by the European Investment Bank (EIB) for an initial amount of 45 million euros, maturing on October 23, 2029, subscribed on July 17, 2018, for the investment plan in the production plant in Italy. However, Vidrala fully repaid the existing debt as of April 2024, and therefore, there is no debt associated with the loan formalized with the European Investment Bank (EIB) as of December 31, 2024.

Vidrala S.A. also had a fixed interest loan for 25 million euros formalized on July 19, 2021, maturing in 2024, at which time the full amount was repaid.

Additionally, during fiscal year 2022, Vidrala formalized three new loans for amounts of 17.5 million, 20 million, and 40 million euros, respectively, with maturities between 2027 and 2032. During fiscal year 2024, the Company proceeded with the early amortization of the loan corresponding to 40 million euros.

Furthermore, on February 24, 2022, extensions of the limits of a loan and a credit held by Vidrala, S.A. were agreed, increasing the amount from 25 million to the current 40 million euros, extending its maturity from 2023 to 2027. Lastly, on March 29, 2022, Vidrala agreed to extend the maturity of an existing credit of 50 million euros to 2027.

Additionally, in fiscal year 2023, Vidrala formalized a new credit for 25 million euros maturing in 2028. During the second half of fiscal year 2024, Vidrala agreed to increase the limit of this credit to 50 million euros, which was fully available as of December 31, 2024.

Finally, during the first half of fiscal year 2024, Vidrala formalized two new credits for 25 million euros each, maturing in 2028 and 2029. As of December 31, 2024, disbursements of these loans amount to 50 thousand euros.

Additionally, the companies of the Group Crisnova Vidrio, S.A. and Castellar Vidrio, S.A.U. have financial lease contracts for 40 million euros, 20 million euros in each case, formalized on February 7, 2022, maturing in 2027. Similarly, the Group company Aiala Vidrio, S.A. has a financial lease contract for 20 million euros, formalized on November 17, 2022, maturing in 2027.

As of December 31, 2024, the Group's consolidated debt figure includes an amount in Brazilian reais of 148 million euros corresponding to the debt held by the subsidiary Vidroporto. locally in Brazil. This debt in Brazilian reais is primarily composed of the outstanding balance of the sixth issuance of debentures, formalized in March 2024, which as of December 31, 2024, is still in the grace period, with maturity set between

2025 and 2029. Additionally, there are also bilateral financing lines in different formats or structures for approximately 7.8 million euros, maturing in fiscal year 2025.

Furthermore, under the item "Financial liabilities from leases," Vidrala records the amount associated with the financial leases integrated following the acquisition and integration of the "The Park" business into the subsidiary Encirc Limited. These primarily correspond to the financial lease formalized for the filling facilities located in Bristol, with a total amount of 41.373 thousand euros (34.306 thousand British pounds). This financial lease accrues an annual interest rate of 5%, with monthly amortization payments of 466 thousand euros (387 thousand British pounds) until the maturity date of the lease, which will occur in February 2034.

The amounts recognized in the consolidated income statement as of December 31, 2024, are as follows:

	Thousands of euros
Amortization of right-of-use assets	4,329
Financial expense on financial liabilities	2,126
	6,508

In summary, the concept of loans and credits with banking entities has, in total, including all the banking financing structures detailed above, maximum limits granted as of December 31, 2024, of 774 million euros (847 million euros as of December 31, 2023). As a result, there were unused and immediately available bank financing balances as of December 31, 2024, amounting to 425 million euros (319 million euros as of December 31, 2023), along with cash balances of 100 million euros (81 million euros as of December 31, 2023).

The average effective interest rates at the balance sheet date for the Group's financing were approximately 4.03% and 1.52% APR for the fiscal years 2024 and 2023, respectively.

The category of financial liabilities recorded under this item corresponds to debts and payables, accounted for at amortized cost.

The recorded amounts and the fair values of current and non-current financial liabilities do not differ significantly.

During fiscal year 2024, the company incurred management fees related to the syndicated financing totaling 36 thousand euros, an amount that is excluded from the calculation of the Group's net financial expense ratio, as stipulated in the contractual conditions of that financing (33 thousand euros during fiscal year 2023).

For the pro forma calculation of 2023, the financial expense for the first eleven months of Vidroporto, S.A. was considered, amounting to 14,705 thousand euros.

The recorded amount of the Group's financial liabilities is entirely denominated in euros.

17. Trade and Other Payables

Details of trade and other payables are as follows:

	Thousands of Euros	
	2024	2023
Trade payables	264,502	292,343
Salaries payable	27,540	31,079
Dividends to shareholders (Note 15)	37,547	32,844
Suppliers of fixed assets	19,803	14,750
Other payables	5,560	12,064
	354,952	**383,080**

The carrying amount of the balances of trade creditors and other accounts payable recorded does not present significant differences compared to their fair value.

The details of the figures associated with the confirming contracts formalized by the various entities that make up the Group are broken down below:

Outstanding debts:

	Thousands of Euros
	31.12.24
Presented under the category of "Financial liabilities with credit institutions"	-
Of which suppliers have received the corresponding payment	-
Presented under the category of "Trade creditors and other accounts payable”	27,848
Of which suppliers have received the corresponding payment	27,659

Payment terms range:

Debt associated with confirming agreements formalized	60-90 days
Commercial debt not associated with confirming agreements formalized	60 days

During 2024 and 2023, Vidrala has managed the extension of payment terms with some suppliers with which the group's companies operate. Due to these deferrals beyond the normal payment period in the applicable economic environment, Vidrala has determined that the original liabilities have been extinguished or substantially modified. Therefore, the balances are reclassified in the Consolidated Balance Sheet to 'Trade payables and other accounts payable.' For its part, the cash flows of cash associated with these payments is included within the cash flows from investing and operating activities, respectively, in the consolidated cash flow statement.

During 2024, there have been no transfers of debt associated with confirming contracts from the items 'Financial liabilities with credit institutions' to items detailed under 'Trade payables and other accounts payable.

18. Average Supplier Payment Period. “Reporting Requirement”, Third Additional Provision of Law 15/2010 of 5 July 2010

Information on the average Spanish supplier payment period by the Spanish companies in 2024 and 2023 is as follows:

	Days	
	2024	2023
Average supplier payment period	49,95	49,87
Transactions paid ratio	53,12	52,25
Transactions payable ratio	25,48	26,81
	Amount (Thousands of Euros)	
Total payments made	271,040	311,241
Total payments outstanding	35,093	32,099
Total amount invoices paid	271,040	311,241
Amount invoices paid within the legal deadline	165,557	192,316
%	61%	62%
Total number of invoices paid	23,556	23,828
Number of invoices paid within the legal deadline	9,470	9,621
%	40%	40%

19. Provisions

Movement in provisions in 2024 and 2023 is as follows:

	Thousands of Euros			
	Emission allowances	Personnel	Other provisions	Total
At 31 December 2023	**70,658**	**4,355**	**13,380**	**88,393**
Charge against profit or loss	50,699	1,698	1,870	54,267
Reversion			(148)	(148)
Payments	(70,658)	-	(442)	(71,100)
Other	-	-	(3,402)	(3,402)
At 31 December 2024	**50,699**	**6,053**	**11,258**	**68,010**

	Thousands of Euros			
	Emission allowances	Personnel	Other provisions	Total
At 31 December 2022	**71,485**	**262**	**791**	**72,538**
Charge against profit or loss	70,658	1,562	-	72,220
Actuarial gains and losses on changes in financial assumptions	-	197	16,080	16,277
Reversion	-	(56)	(1,101)	(1,157)
Payments	(71,485)	-	-	(71,485)
Other	-	2,390	(2,390)	-
At 31 December 2023 (*)	**70,658**	**4,355**	**13,380**	**88,393**

(*) Restated figures

The provision for emission allowances includes the estimated surrender of emission allowances in 2024 and 2023 measured at the grant date, as described in note 3.

The personnel provision reflects defined benefit plans and other obligations with employees. The Group makes contributions to a defined benefit plan in the UK, which consists of ensuring a pension for retired employees and post-retirement medical coverage. The plan is managed separately from the Company, and defined benefit plans are valued by an independent expert, Xafinity Consulting Limited, pursuant to IAS 19.

20. Contingencies

The Group has contingent liabilities for bank guarantees and other guarantees related to the normal course of business amounting to €16,607 thousand (€3,378 thousand in 2023). These guarantees mainly correspond to assurances to public bodies to meet various commitments undertaken. The Group's Management does not anticipate that a significant liability will arise as a result of the aforementioned guarantees

21. Environmental Information

Continuous improvement in the environmental area is detailed in the annual sustainability report and recognized in the positive results obtained from environmental certifications according to ISO 14001/2015, which validate the organization's proper environmental performance.

On the other hand, the actions taken and accounted for in the fiscal year 2024 at Grupo Vidrala, to comply with the requirements of the Kyoto Protocol, as well as emissions analysis, have reached an expenditure figure of €1,872 thousand (€1,777 thousand in 2023).

Furthermore, the environmental performance in the fiscal year 2024 has generated an expense item amounting to €4,009 thousand (€3,584 thousand in 2023). These expenses are mainly related to waste management.

The investments we consider sustainable have amounted to €7,320 thousand (€58,744 thousand in 2023).

The current figure for sustainable investments refers to those investments that are eligible according to the taxonomy specified by the European Union in its Delegated Regulation 2021/2178. They refer to the renovation of buildings; installation, maintenance, and repair of energy efficiency equipment, as well as instruments to measure, regulate, and control the energy efficiency of buildings; installation, maintenance, and repair of renewable energy technologies; construction of systems for capturing, purifying, and distributing water; R&D&I; and repair, renovation, and remanufacturing of production linked to the circular economy.

22. Revenue and Other Income

Details of revenue are shown in note 4, Segment Reporting.

Details of other income are as follows:

	Thousands of Euros	
	2024	2023 (*)
Capital grants taken to income (note 15)	266	4,116
Other income	27,921	19,964
	28,187	**24,080**

(*) Restated figures

23. Merchandise, raw materials and consumables used

Details of Merchandise, raw materials and consumables used are as follows:

	Thousand euros	
	2024	2023 (*)
Net purchases	(587,428)	(699,121)
Change in inventories	(19,647)	13,494
Impairment	(2,200)	1,440
	(609,275)	**(684,187)**

(*) Restated figures

24. Other Expenses

Details of other expenses are as follows:

	Thousands of Euros	
	2024	2023 (*)
External services (note 24.a)	(71,743)	(67,531)
Sales expenses (note 24.b)	(113,738)	(118,472)
Taxes	(7,480)	(6,986)
Impairment and bad debt of trade and other payables (note 12)	(1,182)	(788)
Other operating expenses	(12,227)	(13,268)
	(206,370)	**(207,045)**

(*) Restated figures

.a External services

The detail of "External services" is as follows:

	Thousand euros	
	2024	**2023 (*)**
Repair and maintenance	(42,957)	(33,645)
Independent profesional services	(2,331)	(3,083)
Insurance	(6,793)	(6,223)
Supplies	(1,100)	(1,268)
Other services	(18,562)	(23,312)
	(71,743)	**(67,531)**

.b Sales expenses

The amount broken down under that heading corresponds mainly to expenses for the provision of logistics services (storage and transportation) and other marketing expenses.

25. Employee Benefits Expense

Details of the employee benefits expense in 2024 and 2023 are as follows:

	Thousands of Euros	
	2024	**2023 (*)**
Salaries, wages and similar	230,962	209,491
Contributions to defined contribution plans	5,435	4,430
Other employee benefits	48,276	41,286
	284,673	**255,207**

(*) Restated figures

The average headcount of the Group in 2024 and 2023, distributed by category, is as follows:

	Average headcount	
	2024	**2023 (*)**
Senior management and proxies	52	47
Junior management	583	547
Administrative staff	704	570
Operators	3,547	2,988
	4,886	**4,152**

(*) Restated figures

As of 31 December 2024 and 2023 the distribution by gender of Group personnel and directors is as follows:

	Number			
	2024		2023	
	Female	Male	Female	Male
Board members	4	7	4	7
Management	3	49	2	48
Junior management	134	450	130	472
Administrative staff	274	451	263	428
Operators	273	3,244	256	3,366
	688	**4,201**	**655**	**4,321**

26. Finance Income and Finance Costs

Details of finance income and finance costs are as follows:

	Thousands of Euros	
Finance income	2024	2023
Exchange gains	-	131
Other finance income	14,267	8,352
Total finance income	**14,267**	**8,483**

	Thousands of Euros	
Finance costs	2024	2023 (*)
Interest on loans and borrowings	(40,046)	(12,779)
Hedging derivatives	(140)	(72)
Other finance costs	(120)	(98)
Exchange losses	(2,245)	-
Total finance costs	**(42,551)**	**(12,949)**

27. Earnings per Share

Basic

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held (see note 14).

Details of the calculation of basic earnings per share are as follows:

	2024	2023
Profit for the year attributable to equity holders of the Parent (thousands of Euros)	298,315	233,395
Profit for the year from continuing operations	238,250	213,836
Profit for the year from discontinued operations	60,065	19,559
Weighted average number of ordinary shares outstanding (thousands)	33,692	32,263
Basic earnings per share (Euros per share)	**8,85**	**7,23**
Earnings per share from continuing operations	**7,07**	**6,63**
Earnings per share from discontinued operations	**1,78**	**0,61**

The weighted average number of ordinary shares outstanding is determined as follows:

	2024	2023
Ordinary shares outstanding at 1 January	33,529,770	32,263,115
Effect of own shares	(162,381)	-
Weighted average number of ordinary shares outstanding at 31 December	**33,692.151**	**32,263,115**

The earnings per share for the year 2023, adjusted for the effect of the capital increase approved in April 2024, would amount to 6.89 euros per share.

Diluted

Diluted earnings per share is determined by adjusting the profit or loss for the year attributable to equity holders of the Parent and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares.

28. Related Party Balances and Transactions

(o) Commercial transactions

During 2024 and 2023 the Group has not carried out any transactions with related parties vis-á-vis the sale or purchase of goods or the rendering of services.

(p) Related party balances

The Group has no related party balances.

(q) Conflicts of interest concerning the directors

The directors of Vidrala, S.A. and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

(r) Remuneration of key management personnel and directors

Details are as follows:

	Thousands of Euros	
	2024	2023
Salaries and other current remuneration paid to employees, management and directors	3,831	4,669

During 2024, amounts for incentives and severance payments totaling 5,100 thousand euros have been accrued, with an amount of 3,572 thousand euros accrued in 2023.

The number of executives as of December 31, 2024, amounts to 11 people (13 people in 2023).

As of December 31, 2024, and 2023, there are no loans granted to senior management personnel. During the fiscal year 2024, the parent company has paid civil liability insurance premiums for directors for damages incurred in the performance of their duties amounting to 58 thousand euros (44 thousand euros in 2023).

(s) Remuneration of the directors of Vidrala

The members of the Board of Directors of the parent company have not been granted any amounts in the form of guarantees, advances, loans, or any type of pension rights. The total remuneration of the members of the Board of Directors, encompassing the total amount of salaries, allowances, and any kind of remuneration accrued during the fiscal year, has amounted to 1,799 thousand euros (1,703 thousand euros in 2023).

During the fiscal years 2024 and 2023, no amounts have been accrued for incentives.

The group has redefined the composition of senior management, including, as of June 30, those employees who report directly to General Management and the internal auditor. The amount broken down into these consolidated annual accounts therefore includes the remuneration of the members of the Management Committees of the business units until June 30 and the current composition of Senior Management from then until December 31, while the Annual Corporate Governance Report eliminates an amount of 308 thousand euros corresponding to the remuneration of those persons who are no longer considered senior management according to the new criteria.

29. Audit Fees

The firm auditing the annual accounts of the Group has accrued net fees for professional services during the years ended 31 December 2024 and 2023 as follows:

	Thousands of Euros	
	2024	**2023**
Ernst&Young, S.L.		
Audit services	572	514
Other services	104	75
Total EY	**676**	**589**

These amounts include all fees for services rendered during 2024 and 2023, irrespective of the date of invoice.

During 2024 and 2023, other auditors have billed the Group an amount of 0 and 38 thousand euros, respectively, for audit fees.

30. <u>Events after the reporting period</u>

No significant events have occurred between December 31, 2024, and the date of preparation of these consolidated annual accounts.

NOTE. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

The original Annual Accounts prepared in Spanish were signed by the Company's Members of the Board in accordance with applicable legislation.

VIDRALA, S.A. AND SUBSIDIARIES

Detail of the Movement of Other Reserves and Accumulated Earnings
for the years ended
31 December 2024 and 2023

(Expressed in thousands of Euros)

Details of the Movement of Other Reserves and Accumulated Earnings for the annual fiscal years ended on December 31, 2024 and 2023 (Expressed in thousands of euros)	**Revaluation reserves**	**Legal reserve**	**Voluntary reserves**	**Reserves in fully consolidated companies**	**Profit for the year**	**Total**
At January 1 2023	**2,311**	**6,088**	**661,601**	**235,094**	**153,686**	**1,058,780**
Distribution of 2022 profit						
Reserves	-	180	133,378	(17,423)	(116,135)	-
Dividends	-	-	-	-	(37,551)	(37,551)
Share capital increase	-	-	(1,567)	-	-	(1,567)
Share capital decrease	-	-	-	-	-	-
Profit for 2023	-	-	-	-	233,395	233,395
Other	-	-	-	-	-	-
At December 31 2023	**2,311**	**6,268**	**793,412**	**217,671**	**233,395**	**1,253,057**
Distribution of 2023 profit						-
Reserves	-	313	77,263	(18,119)	(59,457)	-
Dividends	-				(173,938)	(173,938)
Share capital increase	-	-	(1,629)	-	-	(1,629)
Share capital decrease	-	-	(30,785)	-	-	(30,785)
Profit for 2024	-	-	-	-	298,315	298,315
Other	-	-	-	-	-	-
At December 31 2024	**2,311**	**6,581**	**838,261**	**199,552**	**298,315**	**1,345,020**

This appendix forms an integral part of note 13 to the consolidated annual accounts, in conjunction with which it should be read.