

Vidrala, S.A. and Subsidiaries

Consolidated Annual Accounts

31 December 2025

Consolidated Directors' Report

2025

(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 2025 and 2024

(Expressed in thousands of Euros)

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

	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,135,129	1,098,480
Right-of-use assets	8	46,681	43,075
Goodwill	8	258,793	258,675
Other Intangible assets	8	97,596	109,688
Other financial assets		1,436	1,570
Investments accounted for using the equity method	5	6,712	6,546
Deferred tax assets	10	47,832	32,545
Derivative financial instruments	9	591	3,923
Other non-current assets	5	6,903	942
		1,601,673	1,555,444
Current assets			
Inventories	11	252,454	249,077
Trade and other receivables	12	315,821	342,215
Current tax assets		17,487	16,345
Derivative financial instruments	9	1,157	25,567
Other current assets	13	17,288	19,430
Cash and cash equivalents		108,352	100,094
		712,559	752,728
Total assets		2,314,232	2,308,172

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Balance Sheets

31 December 2025 and 2024

(Expressed in thousands of Euros)

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

<u>EQUITY AND LIABILITIES</u>	Note	2025	2024
Equity	14		
Share capital		35,910	34,200
Other reserves		9,150	8,892
Retained earnings		1,490,830	1,336,128
Own shares		(2,097)	-
Other comprehensive income		(77,577)	(31,843)
Interim dividend distributed during the year		(43,338)	(37,547)
		1,412,878	1,309,830
Equity attributed to equity holders of the Parent		1,412,878	1,309,830
Non-current liabilities			
Deferred income	15	41,117	8,291
Loans and borrowings	16	196,080	300,624
Derivative financial instruments	9	6,938	-
Deferred tax liabilities	10	140,295	136,746
Provisions	19	62,687	66,560
Other non-current liabilities		2,097	2,236
		449,214	514,457
Current liabilities			
Loans and borrowings	16	66,833	92,688
Derivative financial instruments	9	1,235	64
Trade and other payables	17	352,841	354,952
Current tax liabilities		3,298	3,883
Provisions	19	1,493	1,450
Other current liabilities	13	26,440	30,848
		452,140	483,885
Total liabilities		901,354	998,342
Total equity and liabilities		2,314,232	2,308,172

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Income Statements
for the years ended
31 December 2025 and 2024

(Expressed in thousands of Euros)

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

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Revenues	4 & 22	1,465,160	1,588,267
Services rendered		2,117	2,910
Other income	22	47,966	28,187
Changes in inventories of finished goods and work in progress		(1,946)	(65,087)
Merchandise, raw materials and consumables used	23	(582,200)	(609,275)
Employee benefits expense	25	(300,428)	(284,673)
Amortisation and depreciation	7 & 8	(132,948)	(117,720)
Impairment of non-current assets	7	(2,362)	(5,231)
Other expenses	24	(203,291)	(206,370)
Profit loss from operating activities		<u>292,068</u>	<u>331,008</u>
Finance income	26	15,101	14,267
Finance costs	26	(31,001)	(42,551)
Participation in profits (losses) of entities accounted for using the equity method		493	494
Profit before income tax from continuing operations		<u>276,661</u>	<u>303,218</u>
Income tax expense	10	(67,320)	(64,968)
Profit for the year from continuing operations		<u>209,341</u>	<u>238,250</u>
Profit for the year from discontinuing operations		<u>-</u>	<u>60,065</u>
Profit for the year		<u>209,341</u>	<u>298,315</u>
Profit for the year attributable to equity holders of the Parent		<u>209,341</u>	<u>298,315</u>
Earnings per share (expressed in Euros)			
- Basic	27	5.95	8.85
- Diluted	27	5.95	8.85

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
for the years ended
31 December 2025 and 2024

(Expressed in thousands of Euros)

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

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Profit for the year		<u>209,341</u>	<u>298,315</u>
Other comprehensive income:			
Translation differences	14	(16,284)	(22,092)
Remeasurements of defined benefit plans	14	(163)	(241)
Items to be reclassified in profit or loss			
Cash flow hedges	9	(38,536)	25,367
Tax effect	10	<u>9,249</u>	<u>(6,088)</u>
Other comprehensive income, net of income tax		<u>(45,734)</u>	<u>(3,054)</u>
Total comprehensive income for the year		<u>163,607</u>	<u>295,261</u>
Profit for the year attributable to equity holders of the Parent		<u>163,607</u>	<u>295,261</u>

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
for the years ended
31 December 2025 and 2024
(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								
	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 2024	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
Total comprehensive income for the year	-	-	209,341	-	(29,287)	(16,284)	(163)	-	163,607
Own shares redeemed	-	-	-	(2,097)	-	-	-	-	(2,097)
Share capital increase	1,710	-	(1,710)	-	-	-	-	-	-
Share capital decrease	-	-	-	-	-	-	-	-	-
Dividends	-	-	(51,833)	-	-	-	-	37,547	(14,286)
Interim dividend on account of 2025 profit	-	-	-	-	-	-	-	(43,338)	(43,338)
Other movements	-	258	(1,096)	-	-	-	-	-	(838)
Balances at 31 December 2025	35,910	9,150	1,490,830	(2,097)	(8,842)	(69,864)	1,129	(43,338)	1,412,878

VIDRALA, S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

for the years ended

31 December 2025 and 2024

(Indirect Method)

(Expressed in thousands of Euros)

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

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Cash flows from operating activities			
Profit for the year from continuing operations		209,341	238,250
Profit for the year from discontinuing operations		-	60,065
Profit for the year		209,341	298,315
<i>Adjusted for:</i>			
Amortisation and depreciation	7 & 8	132,948	117,720
Impairment of non-current assets	7 & 8	2,362	5,231
(Reversal of) impairment losses on trade receivables		(1,228)	1,182
(Reversal of) impairment losses on inventories	11	1,280	3,052
Exchange (gains) / losses	26	-	2,245
Changes in provisions		3,829	20,024
Government grants recognised in the income statement	22	(3,453)	(266)
Finance income	26	(9,864)	(14,267)
Finance costs	26	31,001	40,306
Income tax	10	67,320	64,968
		224,195	240,195
Changes in working capital			
Inventories		(2,097)	36,800
Trade and other receivables		25,166	(15,655)
Trade and other payables		(2,914)	3,916
Other current liabilities		(23,477)	106,417
Effect of translation differences on operating assets and liabilities of foreign operations		4,121	(3,638)
Cash used in operating activities		799	(84,994)
Interest paid		(20,800)	(32,100)
Interest received		7,509	11,200
Income tax paid		(40,757)	(70,100)
Net cash from operating activities		380,287	362,516
Cash flows from investing activities			
Payments from sale of property, plant and equipment		(178,746)	(160,063)
Payments from sale of other intangible assets		(9,757)	(8,737)
Acquisition of a subsidiary, net of cash acquired		-	(6,000)
Acquisition of companies accounted for using the equity method		-	230,000
Cash flows from loss of control of subsidiaries		-	11,668
Other effects of disposal		-	-
Net cash used in investing activities		(188,503)	66,868
Cash flows from financing activities			
Proceeds from loans and borrowings	16	2,626	229,495
Proceeds from other debts		219,500	-
Payments to redeem own shares and other own equity instruments	14	(1,294)	(31,122)
Payments of loans and borrowings		(125,259)	(201,931)
Payments from other debts	14	(227,266)	(233,300)
Dividends paid	14	(51,833)	(173,938)
Net cash from/(used in) financing activities		(183,526)	(410,796)
Net increase/(decrease) in cash and cash equivalents		8,258	18,588
Cash and cash equivalents at 1 December		100,094	81,506
Cash and cash equivalents at 31 December		108,352	100,094

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

1. Nature, Activities and Composition of the Group

Vidrala, S.A. (hereinafter, the Company, the Parent Company or VIDRALA), incorporated in Spain as a sociedad anónima for an indefinite period, is primarily engaged in the manufacture and sale of glass containers, as well as in the related logistics and food-product packaging services. Its registered office and tax address are located at Barrio Munegazo 22, Llodio (Álava), Spain.

During the years 2025 and 2024 there were no changes to the Company's name nor to its aforementioned registered office and tax address.

The shares representing Vidrala, S.A.'s share capital are listed on the Madrid and Bilbao Stock Exchanges.

The list of the companies comprising the Vidrala Group, together with the Parent Company's total ownership interest (direct and/or indirect) as of 31 December 2025 and 2024, as well as the registered office and activity of each of them, is as follows:

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Company	Location	Investment		Activity
		2025	2024	
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 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%	100%	Manufacture and sale of glass containers
Indústria Vidriera do Nordeste LTDA.	Estancia – Sergipe (Brazil)	100%	100%	Manufacture and sale of glass containers
Quatroefe Administração e Participações LTDA.	Sao Paulo (Brazil)	-	100%	Promotion and development of companies
Conrado Participações LTDA.	Sao Paulo (Brazil)	-	100%	Promotion and development of companies
RT119 Empreendimentos e Participações LTDA.	Sao Paulo (Brazil)	-	100%	Promotion and development of companies
Envasados EVA, S.A.	Lekunberri (Navarra)	45%	45%	Manufacture and sale of glass containers
Subgrupo Glassco Recycling Ltd.	Naas (Irlanda)	20%	20%	Manufacture and sale of glass containers

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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Consolidation scope variations:

Financial year 2025:

- The companies Quatroefe Administração e Participações LTDA. and Conrado Participações LTDA. were merged, through a reverse merger, into Vidroporto, S.A.
- The company RT119 Empreendimentos e Participações LTDA. was liquidated.

These changes resulted in an impact of 129 thousand euros (profit) recognized in the Consolidated Income Statement.

Financial year 2024:

On 4 July 2024, the effective sale of the Italian subsidiary Vidrala Italia took place, as detailed in Note 5. Finally, in December 2024, the company Vidrala Portugal, S.A. was liquidated.

2. Basis of Presentation

The consolidated annual accounts have been prepared on the basis of the accounting records of Vidrala, S.A. and its consolidated entities. The consolidated annual accounts for the 2025 financial year have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS-EU), together with the other applicable provisions of the financial reporting framework, with the aim of presenting a true and fair view of the consolidated equity and consolidated financial position of Vidrala, S.A. and its subsidiaries as at 31 December 2025, as well as their consolidated financial performance, consolidated cash flows and consolidated changes in equity for the year then ended.

The Directors of the Parent Company consider that the consolidated annual accounts for 2025, which were authorised for issue on 24 February 2026, will be approved by the Annual General Meeting of Shareholders without modification.

(a) Basis of preparation of the consolidated annual accounts

These consolidated annual accounts have been prepared on a going-concern basis, applying the historical cost principle, except for derivative financial instruments, which have been measured at fair value.

(b) Comparative information

The accounting policies applied in preparing these consolidated annual accounts have been applied consistently to both financial years presented.

(c) Significant accounting estimates and assumptions, and critical judgements in applying accounting policies

The preparation of the consolidated annual accounts in accordance with IFRS-EU requires, in certain cases, the use of accounting estimates and the exercising of judgements or assumptions. A summary of the areas that involved a higher degree of

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

judgement, complexity or in which the assumptions and estimates are significant for the preparation of the consolidated annual accounts is presented below:

(i) Significant accounting estimates and assumptions

- Impairment of non-financial assets subject to amortisation or depreciation:

The Group performs an annual test to assess the potential existence of impairment for all of the Group's CGUs, regardless of whether goodwill has been allocated to them. Determining the recoverable amount of a cash-generating unit requires the use of estimates and the application of financial valuation criteria. The recoverable amount is defined as the higher of fair value less costs to sell and value in use. The Group uses discounted cash flow methods to determine these values.

Discounted cash flow calculations are performed assuming that the activities of the cash-generating units have an indefinite useful life, with free cash flow projections based on financial budgets approved by Management. Cash flows beyond the budgeted period are extrapolated using estimated growth rates (see Note 8). The cash flow projections take past experience into account and represent Management's best estimate of future market performance. Key assumptions used to determine value in use include expected growth rates, the weighted average cost of capital, and applicable tax rates as disclosed in Note 8. These estimates, including the methodology applied, may have a significant impact on the resulting values and on any potential impairment losses.

- Useful lives of property, plant and equipment:

Management determines the estimated useful lives and the related depreciation charges for the Group's installations. This estimate is based on historical and projected life cycles of the assets considering their characteristics, the state of technological development and expected replacement requirements. These estimates may change as a result of technological innovation and/or competitors' actions in response to pronounced business cycles.

- Income tax:

The Group is subject to income tax in various jurisdictions. The legal and regulatory framework applicable to certain Group companies means that certain tax calculations require the use of estimates.

When the final tax outcome differs from the amounts initially recognised, such differences affect the income tax expense in the year in which the determination is made.

Management estimates that economic differences arising from the use of assumptions and judgements in estimating income tax for the 2025 financial year will not be significant.

- Reassessment of tax credits:

The Group evaluates the recoverability of recognised tax credits based on estimates of the availability of sufficient future taxable profits against which they may be utilised.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

- Impairment of trade receivables:

The allowance for impairment of trade receivables involves an assessment of individual balances based on customers' credit quality, current market trends and the Group's historical analysis of defaults on an aggregate basis.

- Write-downs of inventories:

The controls established by the Group to ensure continuous monitoring of finished goods held in inventory have resulted in the implementation of automated stock-monitoring processes, leading Management to apply specific measures concerning depreciation, both physical and in carrying amount.

(ii) Changes in accounting estimates

Although the estimates made by the Directors of the Parent Company have been calculated on the basis of the best information available as at 31 December 2025, future events may require such estimates to be revised in subsequent financial years. Any effect on the consolidated annual accounts arising from adjustments that may need to be made in future years would be recognised prospectively.

(d) Standards and interpretations approved by the European Union applied for the first time in the current year

The accounting policies used in the preparation of these consolidated annual accounts are the same as those applied in the consolidated annual accounts for the year ended 31 December 2024, except for the following standard applied for the first time in the current year:

- Lack of convertibility (Amendments to IAS 21).

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

Aquí tienes la **tabla traducida al inglés**, en **formato tabla** lista para pegar en las Cuentas Anuales:

Rule, interpretation or amendment	<u>Date of adoption by the EU</u>	<u>Date of implementation in the EU</u>	<u>Date of application of the IASB</u>
Annual Improvements (Volume 11)	9 July 2025	1 January 2026	1 January 2026
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	28 May 2025	1 January 2026	1 January 2026
Nature-dependent electricity contracts (Amendments to IFRS 9 and IFRS 7)	30 June 2025	1 January 2026	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	Pending	Pending	1 January 2027
Amendments to IAS 1 – Effects of Changes in Exchange Rates: Translation to a Hyperinflationary Presentation Currency	Pending	Pending	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Pending	Pending	1 January 2027

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The Group intends to adopt the standards, interpretations and amendments to standards issued by the IASB which are not yet mandatorily applicable in the European Union when they become effective, to the extent that they are applicable. The Group is analysing and assessing the potential effects arising from the application of IFRS 18 on the presentation of its Consolidated Financial Statements. As of the date of preparation of these Consolidated Annual Accounts, it is estimated that the main changes will relate to the structure of the Consolidated Income Statement, including the incorporation of new subtotals and the reclassification of items within the Income Statement.

3. Significant Accounting Principles

(a) Subsidiaries

Information on the subsidiaries included in the Group's consolidation is presented in Note 1.

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

The financial statements of the subsidiaries used in the consolidation refer to the same reporting date and period as those of the Parent Company.

(b) Business combinations

In business combinations the Group applies the acquisition method.

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

(c) Property, plant and equipment

(i) Initial recognition

Items are recognised at cost or deemed cost, less accumulated depreciation, and accumulated impairment losses.

Spare parts to be installed in equipment with a storage cycle of over one year are capitalised and depreciated over the same period as the related assets; otherwise they are recognised as inventories.

Moulds are treated as property, plant and equipment and are depreciated based on units produced.

The Group availed itself of the IFRS 1 exemption at 1 January 2004 to use fair value or revalued amounts as deemed cost for certain items acquired prior to that date.

(ii) Depreciation

The Group determines depreciation separately for each significant component with a different useful lives.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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

(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

Subsequent costs are capitalised only when they are expected to generate probable future economic benefits and can be measured reliably. Impairment is assessed in accordance with section (f).

(d) Leases

Judgements applied to determine the lease term for contracts with renewal options

The Group determines the lease term as the non-cancellable period of the lease together with periods covered by an option to extend the lease if it is reasonably certain that the option will be exercised, and periods covered by an option to terminate if it is reasonably certain that the option will not be exercised. After commencement, the Group reassesses the lease term if a significant event or change in circumstances occurs under its control that affects its ability to exercise or not to exercise the option.

(e) Intangible assets

(i) Goodwill

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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(ii) Customer portfolio

The caption 'Other intangible assets' includes the purchase price allocation associated with the acquisition of Vidroporto, S.A. in fiscal year 2023, attributable to customers acquired in the business combination, and is amortized over the estimated period of 2 to 18 years during which the cash flows that generated it are expected to be received (Note 8).

(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).

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(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) Financial instruments

(i) Classification of financial instruments

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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

(ii) Offsetting principles

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) Financial assets

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 Income Statement.

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

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 parties, 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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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 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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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: The variable price of natural gas used as fuel in the production plants, referenced to underlying energy market indices and to the EUR/USD exchange rate, as well as the price of electricity used in the Group's factories under the same conditions.
- Hedging instrument: The Group enters into derivative financial instruments such as swap contracts or call options (caps), through which it converts the variable purchase cost of certain fuels into a fixed cost (in the case of swaps), or limits such variable cost to a maximum amount (in the case of call options, or caps). Additionally, the Group has entered into a PPA (Power Purchase Agreement) for the supply of renewable energy (Note 9).

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

- Hedged risk: Changes in the cash flows of the hedged item arising from fluctuations in the reference fuel price.

Likewise, the Group enters into contracts to hedge the risks arising from fluctuations in exchange 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) Cash and cash equivalents

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

(m) Government grants

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) Capital grants

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) Operating grants

Operating grants are recognised under other income.

(iii) Interest-rate grants

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) Employee benefits

(i) Defined benefit plans

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.

The 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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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 labour 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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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) Recognition of deferred tax liabilities

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) Recognition of deferred tax assets

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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(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

The Group is internally organized into operating segments defined as strategic business units, as described below. The different strategic business units develop similar products and services, namely, the manufacture and sale of glass containers—and are managed separately, aggregated by geographical markets, as they require different market strategies. The storage, packaging and logistics services provided in the United Kingdom

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(see Note 1) do not constitute a separate segment, as they are considered a complementary service to the manufacture and sale of glass containers. The ordinary revenue generated by these services represents less than 10% of the Group's total ordinary revenue.

Each plant, depending on its location, produces for a specific identified geographical market through a unified commercial structure defined for that market.

Thus, the plants located in Spain and Portugal produce goods that are marketed under the Vidrala brand through the Parent Company and the French distribution subsidiary, mainly in the markets of the Iberian Peninsula, France, Belgium and Germany. The plants located in the United Kingdom produce goods marketed under the Encirc brand through the company of the same name, primarily in the markets of the United Kingdom and Ireland. Finally, 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., mainly in the Brazilian market.

This segmentation corresponds to the lowest and most detailed level of information used by management and the Board of Directors, who receive information on production activity and manufacturing costs at plant level, as well as information on sales, operating profit and margins at the level of the identified segments.

During the 2024 financial year, following the disposal of the Italian business, the Group redefined its segmentation structure, establishing the following operating segments:

- United Kingdom & 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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Segment information related to the consolidated income statements for the years ended 31 December 2025 and 2024:

	Thousands of Euros 2025			
	Vidrala Europe	United Kingdom & Ireland	Brazil	Consolidated Financial Statements
Revenues	714,913	574,097	178,267	1,467,277
Other income	6,731	33,291	7,944	47,966
Changes in inventories of finished goods and work in progress	(6,708)	(825)	5,587	(1,946)
Merchandise, raw materials and fuels used	(258,511)	(230,866)	(92,823)	(582,200)
Employee benefits expense	(118,772)	(163,591)	(18,065)	(300,428)
Amortisation costs	(57,755)	(53,705)	(21,488)	(132,948)
Impairment of non-current assets	(1,717)	(645)	-	(2,362)
Other expenses	(106,581)	(91,162)	(5,548)	(203,291)
Finance income	3,294	7,235	4,572	15,101
Finance costs	(9,781)	(2,313)	(18,907)	(31,001)
Participation in profits (losses) of equity accounted investees	68	425	-	493
Profit before income tax from continuing operations	165,181	71,941	39,539	276,661
Income Tax	(35,850)	(19,430)	(12,040)	(67,320)
Profit for the year from discontinued operations	-	-	-	-
Profit for the year from continuing operations	129,331	52,511	27,499	209,341

	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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Within the heading 'Sales and provision of services' associated with the Vidrala Europe segment, sales made in Spain amount to 431,165 thousand euros (439,204 thousand euros during 2024).

The figures for the United Kingdom & Ireland segment include restructuring costs amounting to EUR 13,668 thousand, net of their corresponding tax effect of EUR 3,417 thousand, resulting in a net impact of EUR 10,251 thousand (see Note 27).

Non-current assets allocated on 31 December 2025 and 2024:

	Thousands of Euros	
	2025	2024
Vidrala Europe	902,449	813,690
United Kingdom & Ireland	415,197	437,486
Brazil	277,315	297,722
Equity method	6,712	6,546
	<u>1,601,673</u>	<u>1,555,444</u>

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

Location	Thousands of euros					
	2025			2024		
	Assets	Liabilities	Investments	Assets	Liabilities	Investments
Vidrala Europe	1,170,721	511,827	116,431	1,144,646	525,930	118,702
United Kingdom & Ireland	703,158	264,548	46,512	726,109	262,134	40,169
Brazil	433,641	124,979	22,417	430,871	210,278	20,505
Equity method	6,712	-	-	6,546	-	-
	<u>2,314,232</u>	<u>901,354</u>	<u>185,360</u>	<u>2,308,172</u>	<u>998,342</u>	<u>179,376</u>

Investments in 2025 and 2024 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% minority interest in the share capital of the Brazilian company Vidroporto S.A. for BRL 297 million (approximately EUR 53 million).

Furthermore, on 4 December 2023, following the execution of the corresponding contractual documentation relating to the shareholding that was not previously owned, Vidrala completed the acquisition of 100% of the share capital of the Brazilian company Vidroporto, S.A., through its subsidiary Inverbeira Sociedad de Promoción de Empresas, S.A.

Vidroporto, together with its subsidiary Indústria Vidreira do Nordeste, is a competitive Brazilian producer of glass containers, built on a solid industrial heritage, an experienced management team, and strong commercial relationships with strategic customers. It operates two technologically advanced plants located in Porto Ferreira (State of São Paulo, southeast) and Estância (State of Sergipe, northeast), from which it supplies containers to some of the leading brands in Brazil in segments such as beer, spirits and soft drinks.

The acquired business generated for the Group, during the period between the acquisition date and the date on which the consolidated financial statements for the 2023 financial year were issued, ordinary revenue, consolidated profit before tax, and EBITDA amounting to EUR 19,147 thousand, EUR 9,989 thousand, and EUR 7,778 thousand, respectively.

Had the acquisition taken place on 1 January, the Group's ordinary revenue, consolidated profit, and EBITDA for the year ended 31 December 2023 attributable to this acquisition would have amounted to EUR 154,969 thousand, EUR 22,393 thousand, and EUR 55,457 thousand, respectively.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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 corresponded to a deduction of 2,543 thousand euros that reflect the impact of other aspects associated with the transaction.

The amount disbursed corresponded to the actual cash outflow made, although the cost of the business combination for the Group amounted to 384 million euros. This figure included 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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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 the 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 occurred 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 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, amounted 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, was 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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Additionally, the net carrying amounts associated with the main asset and liability items that were 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 were as follows:

	€ Thousand €	
	31.12.2024	31.12.2023
Operating activities	11,558	26,732
Investing activities	230,000	(28,371)
Financing activities	-	-
Net increase /(decrease) in cash&cash equivalents	241,558	(1,639)

Investments accounted for using the equity method

The movement during the fiscal year 2025, 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	
	2025	2024
Initial Balance	6,546	-
Additions	-	6,000
Results charged to the income statement	493	494
Translation differences	(83)	-
Dividends	(120)	-
Others	(124)	52
Final Balance	6,712	6,546

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The relevant information regarding the investment in Envasados Eva, S.A. as of December 31, 2025 and 2024, is shown below (in thousands of euros):

	2025	2024
Non-current assets	7,630	7,529
Current assets	8,623	11,352
Non-current liabilities	(10,770)	(10,163)
Current liabilities	(3,895)	(5,503)
Net equity	(1,588)	(3,215)
Net revenue amount	12,234	11,536
Result	203	61
Net equity at the time of acquisition	3,154	3,154
% Capital	45%	45%
Equity attributable to Inverbeira	1,419	1,419
Equity method investment	1,713	1,500
Recognized results	68	145

On 23 March 2025, Vidrala, S.A. entered into a convertible participating loan agreement in favour of Envasados Eva for an amount of EUR 5,500 thousand, maturing in 2031. This loan granted to the aforementioned related company is recognised under the heading “Other non-current assets” within Non-current Assets in the Consolidated Balance Sheet.

Additionally, the relevant information associated with the Glassco Recycled Limited subgroup as of December 31, 2025 and 2024 is shown below (in thousands of euros):

	2025	2024
Non-current assets	6,416	6,949
Current assets	5,287	3,583
Non-current liabilities	(1,702)	(2,490)
Current liabilities	(4,466)	(4,020)
Net equity	(5,535)	(4,013)
Net revenue amount	14,019	15,088
Result	2,040	1,910
Net equity at the time of acquisition	3,133	3,133
% Capital	20%	20%
Equity attributable to Inverbeira	627	627
Equity method investment	4,849	4,500
Recognized results	425	349

Vidrala Group holds a 20% shareholding in the holding company of this subgroup, RG Recycle Holdings Limited, which in turn owns 100% of the shares of the operating company Glassco Recycling Ltd, in which Vidrala Group therefore holds an indirect ownership interest.

On 24 October 2025, the majority shareholder of the Glassco Recycled Limited Subgroup (RG Recycle Holdings Limited) approved the distribution of a dividend amounting to EUR 120 thousand.

An implicit goodwill of approximately EUR 3 million was identified at the time of the initial acquisition.

6. Risk Management Policy

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.

In the current environment, the main external risk factors that may affect short-term business performance are: the evolution of demand, influenced by global economic conditions; the effective management of inventory levels and the resulting adjustment of production capacities; volatility in energy prices, raw materials and other operating costs, as well as the ability to pass these cost increases through to selling prices via contractual mechanisms or commercial renegotiations; and the level of capital investment required to support growth, diversify the business and improve operating efficiency.

Operational risk

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

In this respect, during the year 2025, 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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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 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 SO_x 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 has obtained in 2025 an 'B' rating for Climate Change and 'A-' 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 Non-Financial and Sustainability Information Statement, part of the management report of the full year consolidated financial statements.

ii) Occupational health and safety

During 2025, the Vidrala Group continued to strengthen its commitment to the safety, health and well-being of the more than 5,000 people who make up the company. Safety remains a fundamental value and a strategic priority, aimed at promoting increasingly safe and healthy working environments and at reinforcing a solid and coherent preventive culture across all production sites.

In 2025, the Frequency Rate (FR) stood at 17.84, representing a slight increase compared to the previous year (17.0 in 2024). Although this trend continues to be the subject of detailed analysis, it has prompted the organization to intensify its efforts in continuous improvement, focusing on risk identification, reinforcement of operational controls and raising team awareness.

The specific analysis of the incidents recorded throughout the year has made it possible to identify key action areas and has served as the basis for prioritizing new

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

organizational, training and technical measures. All these efforts aim to move towards a safer work environment and reduce exposure to risks inherent to industrial activity.

One of the year's major milestones was the progressive implementation of occupational health and safety management systems based on the ISO 45001:2018 standard at production sites in the United Kingdom. This process is helping consolidate a more structured and effective management model, ensuring systematic risk assessment, clear definition of responsibilities and the integration of continuous improvement into day-to-day operations.

The adoption of this international standard strengthens Vidrala Group's alignment with best practices in the sector, contributing to process standardization and the maturity of the preventive culture throughout the organization.

The Vidrala Group remains committed to advancing towards an increasingly safe workplace, promoting a proactive approach based on prevention and the improvement of people's well-being. The evolution of indicators, together with the implementation of certified management systems, reinforces the conviction that safety and health are a shared responsibility and an essential element of business sustainability.

iii) Supply chain risk

The activity carried out by process-intensive, continuous-service industries such as Vidrala is inherently exposed to risks of disruption within the supply chain.

With regard to risks related to the sourcing of products, materials, facilities, or technologies essential for the normal functioning of industrial operations, the Group implements a comprehensive set of management actions. These include the ongoing and specialized identification of supply sources; the assessment and continuous monitoring of supplier risks—financial, legal compliance, operational, ESG, cybersecurity, and geopolitical; and the reinforcement of long-term strategic relationships. Vidrala has developed its own procedures for supplier approval, auditing, and quality control, and continues to establish alternative supply routes in areas considered critical. Furthermore, to ensure stability in volume, quality, and cost of certain key raw materials, the Group intends to advance the vertical integration of its operations, deploying region-specific strategies tailored to the particular risks and characteristics of each market in which it operates.

In relation to risks associated with customer service and product quality, Vidrala maintains an independent and specialized Quality Assurance function, fully dedicated to ensuring compliance with the highest standards across all phases of the value chain.

Investment decisions are likewise aligned exclusively with safeguarding the established product-quality objectives. The Group continues to enhance preventive controls and inspection capabilities through the adoption of best-available technologies throughout all its facilities.

Regarding risks associated with inventories, the Group is committed to the continuous improvement of its control systems to ensure appropriate management of finished goods. Monitoring includes physical verification, quality assessment, age analysis, and turnover measurement, ensuring that inventory levels—both in volume and value—remain aligned with sales expectations. As a result of these efforts, the Group has implemented

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

automated stock-monitoring processes, together with the systematic application of specific measures for depreciation, both physical and accounting.

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

The glass packaging manufacturing industry was impacted by an inflationary context between 2022 and 2023, which resulted in unusually high pressure on production costs. 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. From 2023 onwards, these pressures began to show signs of easing.

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, 2025, the Vidrala Group had contracted protection or hedging instruments against increases in energy commodity prices for a nominal amount equivalent to EUR 76 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 69% and 32% of the consumption hedged for 2026 and 2027, 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 2025. 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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

In order to manage this risk, the Vidrala Group has a new Cybersecurity Master Plan (second plan), launched in 2025, 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:

- The Cybersecurity manager has the 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.

Fiscal risk

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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

- 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.

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 arises, 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, 48.8% of sales and 49.6% 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 2025 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 -1.5% or -0.8%, and annual cash flow would be reduced by approximately -2.0% or -0.5%, in each case.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

To control currency risk, Vidrala uses derivative instruments, mainly forwards or options. Thus, as of the date of this report, Vidrala has contracted sales structures in pounds sterling with maturities during the year 2026, for an accumulated equivalent value of approximately EUR 21 million, equivalent to approximately 25% protection on the net cash flow expected to be generated during the year 2026 in that currency.

In addition, there is no hedging on force over Brazilian Real, given that the expected net cash flows to be generated along 2026 will be dedicated to reduce the indebtedness of Vidroporto in that currency, obtaining thus a natural hedging on this currency.

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 gives 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, 2025, 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 2026, is completely hedged from euro rates potential fluctuations, while the Group debt in Brazilian reais is exposed to the fluctuations of the CDI (Interbank Deposits Certificate) rate.

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. Customer concentration remains well balanced: the top 10 customers account for just over 35% of total sales; the 50th percentile consists of about 20 customers; and no single customer represents more than 10% of revenues.

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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

the information and assessment provided by external credit agencies, and validated jointly with the insurance companies the Group works 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 high-value claims in which the internal system has not proven effective in predicting insolvency. During 2025, the impact of bad debts has represented 0.08% reversal 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, 2025 the Group maintains EUR 472 million in external financing available resources, of which EUR 37 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, 2025– EUR 258 million in immediately available, undrawn credits, on top of EUR 108 million in cash and cash equivalents.

v) Debt and solvency

As of December 31, 2025 Vidrala's consolidated net debt amounted to EUR 105.3 million, including a negative currency impact of EUR 2.5 million due to the combined effect of exchange rates (BRL and GBP) on debt/liquidity. As a result, indicators of financial solvency as of December 31, 2025 reflect a leverage of 0.2 times last twelve months EBITDA, evidencing the financial capacity and stability of Vidrala's equity position.

Once the syndicated financing that had constituted the main source of funding for the Vidrala Group in prior years reached its maturity during fiscal year 2025, as of 31 December 2025 the core of the Group's financing structure is concentrated in a series of

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

long-term bilateral loans and credit facilities granted by strategic financial institutions for a total amount of EUR 305 million, with maturities scheduled between 2027 and 2032.

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. After having made early repayments amounting to EUR 60 million during the fiscal year, in addition to the repayments scheduled under the amortisation calendar, the outstanding balance of this financing totalled EUR 55 million as of 31 December 2025.

In addition to the mentioned structures, Vidrala has complementary short-term financing on force for its management of flows and cost efficiency, for an amount of EUR 75 million as well as a Commercial Paper Program (CPP) registered in MARF for a limit of EUR 200 million which –as of December 31, 2025– is used in EUR 37 million.

vi) Other risks: volatility of the Brazilian economy

The evolution of the Brazilian economy during 2025 has been marked by greater volatility compared with the previous year, mainly resulting from the slowdown in economic growth, the continuation of a restrictive monetary policy with high interest rates, and an environment of increased fiscal and political uncertainty. Although inflation has shown a moderating trend, the lower dynamism of consumption, together with the sensitivity of financial markets to changes in macroeconomic expectations, could affect demand behaviour and financial costs in the country. In addition, the currency experienced a 20% devaluation in 2024 and, despite stabilizing throughout 2025, the comparison of annual averages still reflects an 8% devaluation in the 2025 average compared with that of 2024. In this context, the Group maintains continuous monitoring of Brazil's economic and financial developments, adopting the necessary measures to mitigate potential adverse impacts on its results and financial position.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

7. Property, Plant and Equipment

Details of property, plant and equipment and movement during 2025 and 2024 are as follows:

2025	Thousands of Euros						Balances at 12.31.25
	Balances at 12.31.24	Additions	Disposals	Exits from the perimeter	Transfers	Translation differences	
<u>Cost</u>							
Land and buildings	405,958	1,127	(774)	-	7,064	(7,563)	405,812
Technical installations and machinery	1,307,617	44,952	(9,061)	-	88,031	(26,824)	1,404,715
Moulds	138,342	12,354	(24,028)	-	-	(942)	125,726
Furniture	25,214	998	(89)	-	5,211	(217)	31,117
Other property, plant and equipment	15,931	1,600	-	-	(39)	1,113	18,605
Work in progress	195,202	116,817	(2,118)	-	(99,982)	(1,381)	208,538
	2,088,264	177,848	(36,070)	-	285	(35,814)	2,194,513
<u>Depreciation</u>							
Land and buildings	(151,806)	(24,115)	774	-	-	2,132	(173,015)
Technical installations and machinery	(705,207)	(80,564)	9,061	-	-	14,822	(761,888)
Moulds	(99,940)	(13,267)	24,028	-	-	7	(89,172)
Furniture	(1,412)	(329)	89	-	-	119	(1,533)
Other property, plant and equipment	(1,212)	-	-	-	-	5	(1,207)
	(959,577)	(118,275)	33,952	-	-	17,085	(1,026,815)
<u>Impairments</u>							
Technical installations, machinery, moulds and others	(30,207)	(2,362)	-	-	-	-	(32,569)
	(30,207)	(2,362)	-	-	-	-	(32,569)
<u>Carrying amount</u>	1,098,480						1,135,129

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

2024	Thousands of Euros						Balances at 12.31.24
	Balances at 12.31.23	Additions	Disposals	Exits from the perimeter	Transfers	Translation differences	
<u>Cost</u>							
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
<u>Depreciation</u>							
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)
<u>Impairments</u>							
Moulds	(25,139)	(5,231)		163	-	-	(30,207)
	(25,139)	(5,231)		163	-	-	(30,207)
<u>Carrying amount</u>	1,162,785						1,098,480

The main additions in 2025 and the prior year correspond to the investments made primarily in the renewal of furnaces by the Group at its subsidiaries in Spain, Portugal and the United Kingdom.

During 2025 and 2024, no significant disposals were recorded, except for those arising from the disposal of the Italian business, which took place in 2024.

In 2022, the Group entered into several finance-lease agreements under sale and leaseback arrangements with financial institutions (Note 16), relating to property, plant and equipment associated with its production plants in Spain. During 2025 and 2024, no new contracts of this type were entered into.

(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 23,115 thousand euros as of December 31, 2025 (8,291 thousand euros as of December 31, 2024) (see Note 15).

VIDRALA, S.A. and SUBSIDIARIES
Notes to the Consolidated Annual Accounts

(f) Commitments

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

	Thousands of Euros	
	2025	2024
Technical installations and machinery	66,610	9,622

(g) Insurance

The Group has arranged several insurance policies to cover the risks to which items of property, plant and equipment are exposed. The coverage provided by these policies is considered sufficient to mitigate the potential impact of the aforementioned risks.

(h) Fully depreciated assets

As of December 31, 2025, there were items of property, plant and equipment with a cost of EUR 627 million that were fully depreciated and still in use (EUR 706 million as of December 31, 2024).

VIDRALA, S.A. and SUBSIDIARIES
Notes to the Consolidated Annual Accounts

8. Intangible Assets

Details of intangible assets and movement during 2025 and 2024 are as follows:

	Thousand of euros						
<u>2025</u>	R&D expenditure	Emission allowances	Computer software	Other Intangible assets	Customer portfolio	Goodwill	Total
<u>Cost</u>							
Balances at December 31 2024	6,307	62,766	42,052	1,290	44,385	258,675	415,475
Additions	433	37,661	6,830	249	-	-	45,173
Disposals	-	(47,287)	(35)	-	-	-	(47,322)
Transfers	271	-	(94)	(462)	-	-	(285)
Translation differences	(37)	(1,003)	(1,065)	-	123	118	(1,864)
Balances at December 31 2025	6,974	52,137	47,688	1,077	44,508	258,793	411,177
<u>Depreciation</u>							
Balances at December 31 2024	(4,696)	-	(23,581)	(677)	(18,158)	-	(47,112)
Additions	(677)	-	(2,671)	(73)	(4,492)	-	(7,913)
Disposals	-	-	-	-	-	-	-
Translation differences	(100)	-	337	-	-	-	237
Balances at December 31 2025	(5,473)	-	(25,915)	(750)	(22,650)	-	(54,788)
<u>Impairment</u>							
	-	-	-	-	-	-	-
<u>Carrying amount</u>							
At December 31 2024	1,611	62,766	18,471	613	26,227	258,675	368,363
At December 31 2025	1,501	52,137	21,773	327	21,858	258,793	356,389

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Thousand of euros

<u>2024</u>	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	-	-	-	-	-	-	-
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

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

Each CGU corresponds to the smallest identifiable group of assets capable of generating cash inflows that are, where applicable, independent from the cash flows generated by other assets or groups of assets.

During the 2024 financial year, a reorganisation of the Group's organisational structure was carried out, resulting from changes in scope—including the full integration of the Brazilian subsidiary into the Group and the divestment of the Italian subsidiary—as well as the succession in the Group's general management. As a result, three clearly differentiated business units were established, each led by a general manager. In this context, it was considered appropriate to redefine the CGUs in line with the segments presented in Note 4 of these consolidated financial statements, 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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Vidros, S.A. and Gallo Vidro, S.A., together with 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 and Indústria Vidreira do Nordeste.

For impairment-testing purposes, goodwill has been allocated to the Group's cash-generating units in accordance with the productive unit that generated it, as summarised below:

Cash Generating Unit	Country	Thousands of euros	
		2025	2024
Vidrala Europe	Portugal-Spain-France	197,621	197,621
Encirc	United Kingdom	2,190	2,305
Vidroporto	Brazil	58,982	58,749
		258,793	258,675

Impairment tests are performed for all of the Group's CGUs, irrespective of whether goodwill has been allocated to them, on an annual basis or earlier if there are indications of a potential loss in the asset's value.

The measurements carried out to determine the recoverable amount are based on assessing the value in use of the identified production plants using forward-looking business models, updated to reflect current economic conditions, and applying a discounted cash-flow (DCF) valuation methodology.

The projections are based on the actual scenario for the 2025 financial year. In terms of sales, price decreases are assumed for 2026 in Vidrala Europe and Encirc, while a slight increase is assumed in Vidroporto, followed by price changes from 2027 onward in line with the weighted evolution of costs. As a prudence measure, it is assumed that 2025 operated at full capacity utilisation, even if that was not the case. As a result, annual volume growth is projected at a moderate 1% across all years (and 2% for Vidroporto). The figures for changes in sales volumes and the industrial investment required to sustain them are consistent with the Group's historical performance.

For the purposes of calculating EBITDA, production costs are increased in line with the annual variation in the consumer price indices expected for each CGU under review, consistent with the estimated variation in selling prices. Given the significance of energy costs in the cost structure of production plants, and the particular volatility of energy tariffs, specific assumptions are applied to this cost item based on observations of forward prices in organised markets for natural gas, as the best indicator.

The perpetual growth rate assumed in all valuation models ranges between 1% and 3% per year (between 1.5% and 3.5% in the valuation models prepared in the previous year). These assumptions are consistent with the historical growth observed in the sector and with the macroeconomic outlook of the geographic regions in which the Vidrala Group operates, and are considered reasonable in light of the characteristics of a stable, mature

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

and reasonably predictable demand typical of the developed economies in which Vidrala conducts its activities.

The compound annual growth rate (CAGR) for sales and EBITDA over the projection period amounts to 1.6% and 1.3% (compared with +0.5% and –0.3% in 2024), respectively—levels that the Group considers reasonable in the current market context.

The discount rate applied is derived from assessments based on internal assumptions and is consistent with the discount rates used in independent external financial analyses regarding Vidrala. The rates also reflect the specific risks of each cash-generating unit.

The pre-tax discount rate considered for each cash-generating unit is as follows:

Cash Generating Unit	2025	2024
Discount rate	Discount rate	Discount rate
Vidrala Europe	7%	7.7%
Vidroporto	15.1%	15.3%
Encirc	6.5%	7.6%

Accordingly, the discount rates outlined above are obtained based on the following assumptions:

- Risk-free rate associated with the country of the corresponding CGU, between 3.3% and 10.9% (between 3.5% and 10.0% in 2024).
- Risk premium between 4.1% and 7.9% (between 6.0% and 9.3% in 2024).
- Beta associated with the country of the corresponding CGU, between 0.99 and 1.01 (same values as in 2024).
- Capital structure based on fixed gearing of 1/3 debt and 2/3 equity (unchanged from 2024).

In addition, the remaining key assumptions considered in the impairment tests are detailed below:

(i) Changes in consumer price index

Estimated in 2025	2026	2027 and following
Vidrala Europe – Spain& Portugal	2.6%	2.0%
United Kingdom	3.2%	2.0%
Brazil	4.3%	4.0%

Estimated in 2024	2025	2026 and following
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VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Vidrala Europe – Spain& Portugal	2.8%	2.0%
Italy	2.5%	2.0%
United Kingdom	4.8%	4.0%

(ii) Estimated energy price, in euros:

	2024	2025	2026	2027	2028	2029
Estimated in 2025 (Gas)	-	39.9	32.4	28.3	24.8	23.3
Estimated in 2024 (Gas)	39.9	37.9	31.2	26.3	24.4	-

As an exceptional measure, and due to the short-term volatility arising from the current macroeconomic environment, a sensitivity analysis was performed on the discounted cash-flow valuations by applying variations of $\pm 3\%$ to sales and EBITDA in each year.

In particular, the actual evolution of selling prices could differ from the assumptions included in the valuation models, depending on general inflation indicators. However, if such a scenario were to occur, a proportionate behaviour in production costs would also be expected, partially mitigating the impact on EBITDA. Likewise, the actual evolution of production costs could differ from the assumptions in the valuation models, depending on general inflation indicators and future estimates of natural-gas prices. Nevertheless, if such circumstances materialised, a proportionate adjustment in selling prices would also be expected, again partially mitigating the impact on EBITDA. Moreover, the sensitivity analysis described above for sales and EBITDA should already capture the impact under these circumstances. Depending on the stage of the industrial cycle of each facility, annual investment requirements may be higher or lower than those included in the valuation models. However, the rate applied is considered a proven reference for a normalised annual average rate.

Based on the analysis performed, no impairment has been identified. Furthermore, the Vidrala Group does not consider that any reasonably possible changes in the key assumptions updated under the current market environment—including discount rates—would result in the recognition of an impairment loss in any of its cash-generating units.

(ii) Fully amortised assets

As of December 31, 2025, there is intangible fixed assets with an updated cost of 26 million euros that is fully amortized and still in use (31 million euros as of December 31, 2024).

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(iii) Right-of-use assets

The right-of-use assets correspond mainly to lease contracts associated with the facilities acquired as part of the “The Park” business acquisition, as well as various items of machinery and other installations used in the Group’s operations.

	Cost	Depreciation	Carrying Amount
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
Additions	2,404	(1,415)	989
Others	9,595	(5,345)	4,250
Translation differences	(2,235)	602	(1,633)
At 31 December 2025	63,090	(16,409)	46,681

The “Others” line item reflects the impact of the price update applied to the lease instalment for the “The Park” facilities in 2025, which increased by EUR 99 thousand as from February 2025.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The carrying amounts of lease liabilities and the movements during the years 2025 and 2024 are as follows (note 16):

	2025	2024
Initial balance	44,904	45,382
Additions	2,404	1,429
Accrued finance charges	2,452	2,179
Payments	(8,314)	(6,117)
Others	9,596	-
Translation differences	(1,742)	2,031
Final balance at 12/31	49,300	44,904
Non-current lease liability	43,162	41,279
Current lease liability	6,138	3,625

The amounts recognized in the consolidated income statement for leases in the years 2025 and 2024 are as follows:

	2025	2024
Depreciation of right-of-use assets	6,760	4,768
Finance cost	2,452	2,179
Expenses related to short-term leases and leases of low-value items	8,314	6,117

9. Derivative Financial Instruments

Details of derivative financial instruments are as follows:

	Thousands of Euros			
	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Hedging derivatives				
Interest rate swaps	1,157	-	3,120	-
Inflation swaps	531	-	-	64
Energy price options	60	8,173	26,370	-
Total	<u>1,748</u>	<u>8,173</u>	<u>29,490</u>	<u>64</u>

These financial instruments are classified in accordance with the categories established in IFRS 13, based on the valuation method, within Level 2 of the fair-value hierarchy: non-quoted prices derived from observable market data.

The Group enters into derivative financial instruments with various counterparties, primarily financial institutions with investment-grade credit ratings. Derivatives are measured using valuation techniques based on observable market data. These instruments consist mainly of swaps used to convert variable prices into fixed prices, relating to both interest-rate benchmarks and energy price underlyings.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The most frequently applied valuation techniques include forward-pricing and swap-pricing models, using present-value calculations (discounted cash flows). The models incorporate various inputs, including counterparty credit quality, spot and forward USD exchange rates, euro interest-rate curves, and forward prices for oil, natural gas (NBP and TTF) and electricity (OMIE). All derivative contracts are fully cash-collateralised, thereby mitigating both counterparty and Group default risk.

In 2024, the Vidrala Group entered into a PPA (Power Purchase Agreement) for the supply of renewable energy for its Iberian Peninsula plants, for a contracted volume of 90,963 MWh, which will cover between 20% and 25% of electricity needs over the next ten years. The contract, which came into force in January 2025, will enable the Group to source 100% renewable clean electricity from wind farms.

(j) Swaps and options

The Group uses interest-rate swaps and options, as well as inflation, foreign-exchange and energy-price derivatives, to manage its exposure to fluctuations in these variables. The fair values of interest-rate instruments are determined entirely by reference to observable market interest-rate curves on the valuation date.

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

The interest-rate hedging instruments had an aggregate notional amount of EUR 90 million as of 31 December 2025 (EUR 90 million as of 31 December 2024), with maturities in 2026. As of 31 December 2025, the fair value of these hedges amounted to EUR 1.1 million (EUR 3 million as of 31 December 2024). Under these contracts, the Group pays fixed interest rates ranging between -0.185% and -0.02% .

To control and mitigate exchange-rate risk, Vidrala uses derivative hedging instruments, primarily forward-selling contracts and currency put options. In line with the Group's foreign-exchange risk-management strategy, as of the date of authorisation of these financial statements, Vidrala had contracted sterling hedges with maturities throughout 2026, for a total nominal amount of approximately EUR 21 million, equivalent to around 25% of the expected net cash flow to be generated in pounds during 2026.

Energy-price hedging instruments (swaps and call options) had an aggregate notional amount of EUR 76 million as of 31 December 2025 (EUR 67 million as of 31 December 2024). These hedges mature between 2026 and 2028. The liability associated with these hedges amounted to EUR 6,586 thousand as of 31 December 2025 (EUR 26,370 thousand as of 31 December 2024).

The total amount of cash-flow hedges recognised in equity, as well as the amount reclassified from other comprehensive income to profit or loss and recorded in the Consolidated Income Statement, is as follows:

	Thousands of Euros	
	Income/(Expenses)	
	2025	2024
Other comprehensive income	(38,322)	16,902
Reclassification to finance costs	(214)	8,465
	(38,536)	25,367

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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						
	Carrying Amount	Expected Cash flows	2025				
			Occurrence of cash flows				
		2026	2027	2028	2029	2030	
Interest rate swaps	1,157	1,157	1,157	-	-	-	-
Currency swap	531	531	531	-	-	-	-
Energy price options	(8.113)	(8.113)	(2,112)	(4,826)	(1,175)	-	-

	Thousands of Euros						
	Carrying Amount	Expected Cash flows	2024				
			Occurrence of cash flows				
		2024	2025	2026	2027	2028	
Interest rate swaps	3,121	3,121	1,964	1,157	-	-	-
Currency swap	(64)	(64)	(64)	-	-	-	-
Energy price options	26,370	(2,961)	21,038	2,706	539	298	1,789

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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 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
(Debit) credit to income statement	-	(527)	941	-	(3,080)	(2,666)
Tax credits to be allocated	-	-	17,379	-	-	17,379
Debit (credit) to other comprehensive income	-	-	-	574	-	574
Derecognitions due to perimeter exit	-	-	-	-	-	-
At 31 December 2025	1,663	3,330	26,436	4,227	12,176	47,832

Thousand euros					
Deferred tax liabilities	Goodwill	Tangible Assets	Financial liabilities	Other	Total
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
(Debit) credit to income statement	6,054	5,136	-	-	11,190
Debit (credit) to other comprehensive income	-	-	(4,804)	-	(4,804)
Translation differences	(448)	(2,389)	-	-	(2,837)
Exits from the perimeter	-	-	-	-	-
At 31 December 2025	79,671	44,919	1,139	14,566	140,295

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The variation for the 2025 financial year under the heading “Deferred tax assets” relates primarily to the recognition of tax credits arising from investments and expenses linked to projects aimed at sustainable development, reducing environmental impact, energy transition and the circular economy.

The variation for the 2024 financial year under the heading “Deferred tax assets” is mainly due to the derecognition of tax credits held by the Italian subsidiary, which was disposed of in mid-2024 (Note 5).

The “Other” line item within “Deferred tax assets” mainly includes temporary differences arising from the acquisitions of Santos Barosa Vidros S.A. in 2017 and Encirc Limited and Encirc Distribution Limited in 2015, as well as other temporary differences associated with adjustments to the inventories balance.

It is considered that, given the current level of profits, the recoverability of all deferred tax assets is assured.

The “Property, plant and equipment” line item within “Deferred tax liabilities” primarily reflects the tax effect of accelerated depreciation applied to various fixed assets.

Likewise, the “Goodwill” line item mainly corresponds to the cumulative tax-deductibility effect applied to the goodwill associated with Santos Barosa Vidros S.A. and Vidroporto S.A.

The total amount of deferred income tax relating to items recognised/(charged) directly in other comprehensive income during 2025, corresponding to hedging transactions, amounted to EUR 9,249 thousand (EUR (6,088) thousand as of 31 December 2024).

Details of the income tax expense are as follows:

	Thousands of Euros	
	2025	2024
Current tax	56,136	65,376
Prior year adjustments	-	(5)
Deferred tax		
Application on capitalized deductions	-	3,981
Income for increase of deferred tax assets	(7,079)	(3,627)
Expense for increase of deferred tax liabilities	14,624	4,699
Income for reduction of deferred tax liabilities	-	(4,002)
Other	3,639	(1,454)
Total	67,320	64,968

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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

	Thousands of Euros	
	2025	2024
Profit for the year before income tax from continuing operations	<u>276,661</u>	<u>303,218</u>
Tax calculated at the tax rate of each country	67,155	99,939
Carry forward of unused tax losses		
Deductions for the year	(2,292)	(3,215)
Prior year adjustments	(44)	(20)
Expense from the increase in deferred tax liabilities	(9)	-
Income for reduction in deferred tax liabilities	2,946	-
Other adjustments	5,333	(3,641)
Permanent differences	(5,769)	(28,095)
Income tax expense	67,320	64,968

The permanent differences for the 2024 period mainly related to the exemption associated with the capital gain arising from the sale of the Italian subsidiary (Note 5).

In general terms, the non-prescribed periods remain open to tax inspection in accordance with the various tax regulations applicable to each of the Group's companies.

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

In accordance with current Spanish legislation, taxes cannot be considered definitively settled until the returns filed have been examined by the Spanish tax authorities, or until the statute-of-limitations period of four to five years has elapsed. As a result, among other factors, different possible interpretations of the applicable tax regulations could give rise to additional liabilities to those recognised, should an inspection take place. In any case, the Directors consider that such liabilities, if any, would not have a material impact on the consolidated annual accounts for 2025 taken as a whole.

On 15 December 2022, Directive (EU) 2022/2523 was approved, establishing “a minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union”, which—together with the coordinated tax-policy initiative promoted within the G20/OECD framework, commonly known as Pillar Two—defines a top-up tax payable by the parent company of a group when its subsidiaries do not reach the minimum effective tax rate of 15% in each jurisdiction.

This Directive was transposed into Spanish law in 2024 through Law 7/2024 of 20 December (“Pillar Two Law”), establishing a series of safe-harbour rules enabling the application of a transitional regime for the periods between 2024 and 2026. In the case of Álava, the global minimum top-up tax was approved by Urgent Tax Regulatory Decree 3/2024, issued by the Provincial Government Council on 27 December, referring back to the Spanish national regulations. For these purposes, the Group is a liable taxpayer for the new top-up tax.

Following the analysis performed, the Group concludes that in most of the countries where it operates, it meets at least one of the three conditions defined in the Pillar Two

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Law in relation to the safe-harbour provisions and, therefore, no top-up tax will be due in those jurisdictions. In the remaining countries—where the safe harbour cannot be applied—a detailed calculation of the top-up tax has been carried out, and no material impact is expected for the Group.

It is also worth noting that Law 7/2024 provides, in its First Transitional Provision, a first-time adoption transitional regime for deferred tax assets and liabilities and for assets transferred during the transitional tax period. For these purposes, the provision establishes that the tax rate in each jurisdiction during the transitional period—understood as the first period in which a multinational or domestic group must apply the provisions of Law 7/2024 in that jurisdiction, and in each subsequent period—will be calculated taking into account all deferred tax assets and liabilities recognised or disclosed in the financial statements of the constituent entities of the relevant jurisdiction that existed at the start of that transitional period.

For the purpose of applying the transitional regime for first-time adoption set out in Law 7/2024, and, in particular, for the purpose of having the adjusted covered taxes taken into consideration in determining the effective tax rate for the Spanish jurisdiction calculated in accordance with the rules of the new tax, the value of all deferred tax assets and liabilities—whether or not recognized in the accounts—relating to the tax attributes (temporary differences, tax loss carryforwards, tax credits, etc.) existing at the beginning of the transitional tax period, i.e., as of 1 January 2024, is broken down below. For these purposes, the value of the deferred tax assets and liabilities corresponding to temporary differences and other tax attributes is presented in two ways: on the one hand, the deferred tax asset or liability for Corporate Income Tax purposes, taking into account the applicable tax rate at the 2024 year-end, of 28%; and, on the other hand, the deferred tax asset or liability in a hypothetical Pillar Two context, applying a 15% rate.

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

	2025		2024	
	Activated	Not Activated	Activated	Not Activated
Deferred Tax Assets				
Spain	40,528	-	23,721	-
Portugal	2,688	-	3,411	-
United Kingdom	4,616	-	5,413	-
France	-	-	-	-
Brazil	-	-	-	-
Italy	-	-	-	-
Total	47,832	-	32,545	-

There are no significant unrecognized deferred tax assets.

	2025	2024
Deferred Tax Liabilities		
Spain	42,429	40,299
Portugal	2,522	5,086
United Kingdom	55,020	52,274
France	-	-
Brazil	40,323	39,086
Italy	-	-
Total	140,295	136,746

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

11. Inventories

Details of inventories are as follows:

	Thousands of Euros	
	2025	2024
Raw materials	26,406	24,055
Auxiliary and production materials	83,068	77,346
Finished goods and work in progress	177,584	181,000
	287,058	282,401
Impairment	(34,604)	(33,324)
	252,454	249,077

As of 31 December 2025 and 2024, there were no inventories with a recovery period exceeding 12 months from the date of the consolidated balance sheet.

The Group's companies hold insurance policies covering accidental or unforeseen risks to which inventories are exposed. The coverage provided by these policies is considered sufficient.

The impairment allowance relating to finished goods amounts to EUR 6,181 thousand (EUR 7,652 thousand as of 31 December 2024), while the allowance relating to auxiliary and production materials amounts to EUR 28,422 thousand (EUR 25,672 thousand as of December 2024).

Reductions and reversals in the value of inventories are recognised as credits to the following line items in the Consolidated Income Statement:

- "Change in inventories of finished goods and work in progress", in the case of finished goods and work in progress; and
- "Raw materials and other consumables used", for all other inventory categories.

12. Trade and Other Receivables

Details of trade and other receivables are as follows:

	Thousands of Euros	
	2025	2024
Trade receivables	306,588	344,965
Personal	1,866	2,132
Other loans	17,225	6,204
Less impairment (Note 24)	<u>(9,858)</u>	<u>(11,086)</u>
Total	<u>315,821</u>	<u>342,215</u>

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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

As of December 31, 2025, and 2024, 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	
	2025	2024
Public entities		
Value added tax	16,569	18,521
Other items	719	909
	17,288	19,430

Details of other current liabilities are as follows:

	Thousands of Euros	
	2025	2024
Public entities		
Value added tax	17,288	21,378
Withholdings and payments on account	3,321	3,752
Social Security	5,515	5,347
Other	316	371
	26,440	30,848

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 2025 and 2024 is as follows:

	Number Of shares outstanding	Thousand of euros		
		Ordinary shares	Own shares	Total
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
Share capital increase	1,676,488	1,710	-	1,710
Share capital decrease	-	-	-	-
At December 31 2025	35,206,258	35,910	-	35,910

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The movement on own shares is the following:

	Number of own shares	
	2025	2024
At January 1	-	-
Acquisition of own shares	23,400	330,000
Sale of own shares	-	(330,000)
At December 31	23,400	-

Treasury shares acquired during the 2025 financial year amounted to EUR 2,097 thousand, of which EUR 1,294 thousand were paid during 2025.

As of 31 December 2024, the share capital of Vidrala, S.A. was represented by 33,529,770 shares, each with a nominal value of EUR 1.02 (EUR 34,200 thousand in total), fully paid and admitted to trading on the Madrid and Bilbao Stock Exchanges.

On 29 April 2025, the Ordinary General Meeting of Shareholders of Vidrala, S.A. approved a share capital increase in the amount of EUR 1,710 thousand, through the issue and placement into circulation of 1,676,488 new ordinary shares, each with a nominal value of EUR 1.02, without share premium, of the same class and series as the shares already in circulation. The increase was charged to freely distributable reserves and executed by granting shareholders one (1) new share for every twenty (20) existing shares.

Following execution of the transaction on 23 October 2025, and after the end of the trading period for the free-allocation rights on 12 November 2025, the share capital of Vidrala, S.A. amounted to EUR 35,910 thousand, divided into 35,206,258 shares with a nominal value of EUR 1.02 each.

In relation to treasury shares, the Ordinary General Meeting of Shareholders of Vidrala, S.A. held on 29 April 2025 authorized the acquisition of treasury shares, either directly or through Group companies, and the reduction of share capital where appropriate for the purpose of redeeming such shares. The necessary powers for its implementation were delegated to the Board of Directors.

Within this framework, the Board authorized a new share buyback programme with a duration of 12 months, for the acquisition of up to 350,000 shares, with a maximum effective amount of EUR 33 million. The purpose of this programme is the redemption of treasury shares, thereby increasing earnings per share attributable to each shareholder as a complementary shareholder-remuneration tool alongside cash dividends.

During the 2025 financial year, the Group's equity ratio evolved as reflected in the following ratios for 2025 and 2024:

	Thousands of Euros	
	2025	2024
Total equity	1,412,878	1,309,830
Total equity and liabilities	2,314,232	2,308,172
Total equity/total equity and liabilities ratio	61,05%	56,75%

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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	
	2025	2024
Net financial debt	105,261	248,314
Equity	1,412,878	1,309,830
Debt ratio	0.07	0.19

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 49 million under "Debts to credit institutions".

(I) Other reserves

(i) Revaluation reserves

The balance recognised under Revaluation reserves corresponds to the revaluation carried out by the Parent Company in accordance with Álava Provincial Regulation 4/1997, of 7 February, on Balance Sheet Revaluation, under which Vidrala revalued its items of property, plant and equipment in 1996. The net amount of the revaluation totalled EUR 3.8 million. These reserves were fully available as of 31 December 2025 and 2024.

(ii) Revaluation surplus

No movements were recorded under this line item in 2025 or 2024.

(iii) Capitalisation reserve

The capitalisation reserve has been recognised in accordance with Article 51 of Álava Provincial Regulation 37/2013, of 13 December, on Corporate Income Tax, which establishes that the reserve must be appropriated for the amount of the right to reduce the fiscal group's taxable base for the year.

Taxpayers may deduct from the taxable base an amount equivalent to 10% of the increase in their tax-adjusted equity compared with the prior year. In such cases, an amount equal to that increase must be allocated to a non-distributable reserve, for a minimum period of five years from the end of the tax period in which the deduction was generated, except for the portion of the increase that has been capitalised. During this five-year period, the entity's tax-adjusted equity must remain constant or increase, unless reduced due to accounting losses. No deduction may be applied in respect of increases in tax-adjusted equity derived from mandatory reserve allocations required by law or by-laws.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

As of 31 December 2025, the Group recognised a non-distributable capitalisation reserve of EUR 633,500,000 (EUR 603,500,000 in 2024), included within voluntary reserves.

(iv) Legal reserve

The legal reserve has been appropriated in accordance with Article 274 of the Spanish Companies Act, which establishes that an amount equal to 10% of the profit for the year must be allocated to the legal reserve until it reaches at least 20% of share capital.

This reserve may not be distributed, and if applied to offset losses—when there are no other available reserves for that purpose—it 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 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
Income and expenses generated during the year	(38,321)	9,197	(29,124)
Reclassification to profit or loss	(214)	51	(163)
Balances at December 31 2025	(11,575)	2,733	(8,842)

(i) Translation differences

They correspond to the effect of translating the financial statements of the subsidiary Encirc, whose functional currency is the pound sterling, as well as the effect of translating the financial statements of the Brazilian subsidiaries. The negative impact for the year amounted to EUR (16,284) thousand (EUR (22,092) thousand as of 31 December 2024), mainly attributable to the depreciation of the pound sterling against the euro.

(ii) Defined benefit plans

It relates entirely to the cost of the defined benefit pension plans and other post-employment medical benefits of the subsidiary Encirc, with the impact recognised in other comprehensive income amounting to EUR 163 thousand negative terms, compared with EUR 241 thousand in negative terms in 2024 (see Note 19).

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

(n) Dividends and restrictions on distribution of dividends

The total amount of dividends paid by Vidrala to its shareholders during the 2025 financial year amounted to EUR 51,833 thousand (EUR 173,938 thousand in 2024).

Following confirmation of the completion of the sale of Vidrala Italia, and in accordance with the resolution adopted by the General Shareholders' Meeting held on 30 April 2024, the Board of Directors approved the distribution of an extraordinary dividend of EUR 4.00 gross per share, which was paid on 12 July 2024 in the amount of EUR 128,574 thousand.

The amount paid in respect of attendance premiums for the General Shareholders' Meeting during 2025 amounted to EUR 1,491 thousand (EUR 1,150 thousand in 2024).

The distribution of profit and reserves of the Parent Company for the financial year ended 31 December 2024, approved by the General Shareholders' Meeting held on 27 April 2025, was as follows:

<u>Basis of allocation</u>	<u>Euros</u>
Profit for the year	146,964,851.79
<u>Distribution</u>	
Legal reserves	258,397.60
Other reserves	94,872,782.74
Dividend	14,287,035.00
Interim dividend	37,546,636.45
	<u>146,964,851.79</u>

The dividend paid by Vidrala to its shareholders on 14 February 2025 amounted to EUR 37,547 thousand, equivalent to EUR 1.1198 per share.

On 15 July 2025, a second dividend was paid, corresponding to the complementary dividend relating to the 2024 results and approved by the General Shareholders' Meeting held on 29 April 2025, in the amount of EUR 14,287 thousand.

On 19 December 2025, the Board of Directors of the Parent Company approved the distribution of an interim dividend against the results for the 2025 financial year of EUR 1.2318 per share, equivalent to a gross amount of EUR 43,338 thousand, which was paid on 13 February 2026.

These amounts to be distributed did not exceed the profits generated by the Parent Company since the end of the previous financial year, after deducting the estimated Corporate Income Tax payable on such profits, in accordance with the provisions of Article 277 of the Spanish Companies Act.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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 2025	
<i>Projected profit after income tax to 12.31.2025</i>	
Interim dividend distributed	43,338
<i>Forecast cash flow for the one-year period from December 19, 2025</i>	
Cash and cash equivalents at agreement date	41,200
Credit facilities available at agreement date	231,634
Projected operating receipts and payments (net)	80,238
Other cash disbarments	(36,853)
Credit facilities available (one year later)	316,219

The proposed distribution of 2025 profit and other Parent reserves to be submitted to the shareholders for approval at their annual general meeting is as follows:

	Euros
<u>Basis of application</u>	
Profit for the year	289,725,629.35
<u>Distribution</u>	
Legal reserve	342,003.60
Other reserves	229,555,175.73
Dividend	16,490,205.54
Interim dividend	43,338,244.48
	289,725,629.35

15. Deferred Income

Details of this caption are as follows:

	Thousands of Euros	
	2025	2024
Capital grants (note 7(e))	23,115	8,291
Tax credits for investments	18,002	=
	41,117	8,291

In the 2025 and 2024 financial years, the Group did not recognise any additional capital grants. The gross amount of such grants recognised in the consolidated income statement for 2025 amounted to EUR 1,389 thousand (EUR 1,710 thousand in 2024) (see Note 22).

During the 2025 financial year, the Group companies Crisnova, S.A. and Castellar, S.A. received grants associated with Strategic Projects for Economic Recovery and Transformation (PERTEs), mainly intended to finance the investments to be carried out from 2026 onwards for the decarbonisation of the furnaces at the aforementioned plants, amounting to EUR 10,298 thousand and EUR 6,316 thousand, respectively.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Likewise, the Group company Aiala Vidrio, S.A.U. recognises under this line item the deferred tax credits activated in relation to tax deductions for investments in property, plant and equipment, amounting to EUR 18,147 thousand, whose recognition in the consolidated income statement will be made over the useful life of the related assets. In this regard, during the 2025 financial year, EUR 768 thousand has been recognised in the consolidated income statement (which will be recorded as a reduction in the Income tax expense line item).

16. Financial Liabilities

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

	Thousands of Euros			
	2025		2024	
	Non-current	Current	Non-current	Current
Loans and borrowings	92,614	22,473	198,508	42,108
Finance Lease - NIIF 16 (Note 8)	43,162	6,138	41,279	3,625
Finance Lease - Others	59,986	378	60,365	-
Other financial liabilities	318	36,961	472	45,146
Accrued interest	-	883	-	1,809
	196,080	66,833	300,624	92,688

Non-current loans and borrowings mature as follows:

	Thousands of Euros	
	2025	2024
Between 1 and 2 years	112,882	140,789
Between 3 and 5 years	82,098	153,506
More than 5 years	1,100	6,329
	196,080	300,624

The Parent Company, Vidrala, S.A., has a Commercial Paper Programme registered on the MARF (Mercado Alternativo de Renta Fija), renewed on 24 July 2025 with a maximum limit of EUR 200 million and an annual, renewable term. Through this programme, the Company may issue commercial paper with maturities ranging from 3 to 730 days, at interest rates determined according to supply and demand conditions at the time of issuance, which depend on market conditions, the term structure of interest-rate curves, and investors' perception of and interest in the issuer's credit quality.

During the first half of 2025, the interest rates applied to the commercial paper issued by the Company ranged between 2.11% and 3.05% per annum, excluding placement fees. The total amount of commercial paper issued in 2025 amounted to EUR 219 million (EUR 253 million in 2024), of which EUR 37 million (EUR 45 million as of 31 December 2024) remained outstanding at 31 December 2025. These outstanding notes are recognized under Other financial liabilities and will mature between July and December 2026.

Based on the conditions described above, the Company expects to meet the maturities of these issuances during 2026 either through the cash flows expected to be generated by the business or through new issuances undertaken progressively, aiming to optimize the maturity profile and interest-rate structure while continuing to diversify funding sources. In any case, at the 2025 year-end, the Group maintained sufficient liquidity in the form of undrawn, immediately available long-term bank financing facilities to meet all upcoming maturities.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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

Type	Extended	Maturity	Thousand euros					
			Granted limit / nominal value 2025	Granted limit / nominal value 2024	2025		2024	
					Current	Non-current	Current	Non-current
Credit	2015	2025	-	180,000	-	-	-	-
Loan	2018	2027	40,000	40,000	-	40,000	-	40,000
Credit	2018	2027	40,000	40,000	-	-	-	10,000
Loan	2022	2027	20,000	20,000	-	-	-	20,000
Loan	2022	2032	17,500	17,500	2,500	15,000	-	17,500
Loan	2024	2029	54,933	140,000	17,347	37,585	29,181	110,890
Credit	2010	2027	50,000	50,000	-	-	-	-
Credit	2023	2028	50,000	50,000	-	-	-	69
Credit	2022	2029	25,000	25,000	-	5	-	41
Credit	2024	2028	25,000	25,000	-	24	-	8
Credit	2023	2025	-	9,325	-	-	7,782	-
Other short-term credit	2025	2026	72,000	73,000	2,626	-	5,145	-
			394,433	669,825	22,473	92,614	42,108	198,508

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

	Thousands of EUR				
	1 January 2025	Cash flows	Translation differences	Other	31 December 2025
Current loans and borrowings	92,688	(25,724)	(131)	-	66,833
Non-current loans and borrowings	300,624	(103,730)	(814)	-	196,080
Dividends payables (Note 17)	37,547	(37,547)	-	43,338	43,338
Total liabilities from financing activities	430,859	(167,001)	(945)	43,338	306,251

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Thousands of EUR

	1 January 2024	Cash flows	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	631,892	(228,540)	(10,040)	37,547	430,859

On 13 March 2015, the Company entered into a syndicated financing agreement amounting to EUR 465 million, for the purpose of financing the acquisition of Encirc Ltd. In subsequent years, various amendments were made to this agreement in order to adjust its conditions to market terms in respect of maturity and cost, including an extension of the facility limits in 2017 in connection with the acquisition of Santos Barosa Vidros, S.A.

The latest amendment took place on 19 July 2021, under which the revolving credit facility for its full amount of EUR 180 million was extended until 2025, with no further material modifications to the agreement.

As a result of the above, as of 31 December 2024, the long-term syndicated loan had been fully repaid. Likewise, in September 2025, and in line with the established schedule, the EUR 180 million revolving credit facility, which remained undrawn, reached its maturity.

In addition, in 2022 Vidrala, S.A. entered into three new loans amounting to EUR 17.5 million, EUR 20 million and EUR 40 million, respectively, with maturities between 2027 and 2032. During 2024, the Company made an early repayment of the EUR 40 million loan. Likewise, in 2025, the Company also made an early repayment of the EUR 20 million loan.

Furthermore, on 24 February 2022, extensions were agreed to the limits of a loan and a credit facility held by Vidrala, S.A., increasing the previous limit of EUR 25 million to the current EUR 40 million, and extending their maturity from 2023 to 2027. Finally, on 29 March 2022, Vidrala agreed to extend the maturity of an existing credit facility, with a nominal amount of EUR 50 million, to 2027.

In 2023, Vidrala entered into a new credit facility amounting to EUR 25 million, maturing in 2028. During the second half of 2024, Vidrala agreed to extend the limit of this facility to EUR 50 million, which was fully available as of 31 December 2025 and 31 December 2024.

In the first half of 2024, Vidrala entered into two additional credit facilities amounting to EUR 25 million each, with maturities in 2028 and 2029. As of 31 December 2025, drawdowns on these loans amounted to EUR 29 thousand (EUR 50 thousand as of 31 December 2024).

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Additionally, the Group companies Crisnova Vidrio, S.A. and Castellar Vidrio, S.A.U. maintain finance-lease arrangements of EUR 40 million (EUR 20 million each), formalised on 7 February 2022, with maturity in 2027. Likewise, the Group company Aiala Vidrio, S.A. maintains a finance-lease arrangement amounting to EUR 20 million, formalised on 17 November 2022, maturing in 2027.

As of 31 December 2025, the Group's consolidated debt includes an amount denominated in Brazilian reais equivalent to EUR 55 million (EUR 148 million as of 31 December 2024), corresponding to the debt maintained locally in Brazil by the subsidiary Vidroporto. This BRL-denominated debt consists of the outstanding balance of the sixth debenture issuance, formalised in March 2024, with maturities defined between 2026 and 2029. In 2024, there were also bilateral financing lines in different formats amounting to approximately EUR 7.8 million, which matured in 2025. No new bilateral financing lines were contracted (or drawn) during 2025.

Furthermore, under the heading "Lease liabilities", Vidrala recognises the amount associated with finance-lease contracts arising from the acquisition and integration within subsidiary Encirc Limited of the "The Park" business. This mainly corresponds to the finance lease relating to the filling facilities located in Bristol, with a total amount of EUR 42,193 thousand (GBP 36,818 thousand). This finance lease accrues an annual interest rate of 5%, with monthly instalments of EUR 554 thousand (GBP 483 thousand) until the lease maturity in February 2034. In 2025, this lease was updated, resulting in an increase in the applicable tariffs and, consequently, an increase in the monthly instalment (GBP 483 thousand, compared with GBP 354 thousand in 2024).

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

	Thousands of euros
Amortization of right-of-use assets	6,760
Financial expense on financial liabilities	2,452
	9,212

In summary, the concept of loans and credit facilities with banking institutions — considered collectively and including all the financing structures detailed above— amounted to maximum limits granted of EUR 472 million as of 31 December 2025 (EUR 774 million as of 31 December 2024). As a result, the Group had undrawn and immediately available bank financing facilities amounting to EUR 258 million as of 31 December 2025 (EUR 425 million as of 31 December 2024), in addition to cash and cash equivalents amounting to EUR 108 million (EUR 100 million as of 31 December 2024).

The average effective interest rates at the balance sheet date for the Group's financing as a whole were 6.29% and 5.31% (APR) for the 2025 and 2024 financial years, respectively.

The category of financial liabilities included under this heading corresponds to debts and payables recognized at amortized cost.

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

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The amounts recognized for the Group's financial liabilities are entirely denominated in euros.

17. Trade and Other Payables

Details of trade and other payables are as follows:

	Thousands of Euros	
	2025	2024
Trade payables	243,785	264,502
Salaries payable	29,916	27,540
Dividends to shareholders (Note 15)	43,338	37,547
Suppliers of fixed assets	12,244	19,803
Other payables	<u>23,558</u>	<u>5,560</u>
	<u>352,841</u>	<u>354,952</u>

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	
	31.12.2025	31.12.2024
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"	39,243	27,848
Of which suppliers have received the corresponding payment	14,911	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 2025 and 2024, 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.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

During 2025, 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. Information on the Average Supplier Payment Period. Additional Provision Three. 'Duty of disclosure' under Law 15/2010, of 5 July.

Information on the average Spanish supplier payment period by the Spanish companies in 2025 and 2024 is as follows:

	<u>Days</u>	
	<u>2025</u>	<u>2024</u>
Average supplier payment period	43.46	49.95
Transactions paid ratio	46.00	53.12
Transactions payable ratio	21.88	25.48
	<u>Amount (Thousands of Euros)</u>	
Total payments made	242,750	271,040
Total payments outstanding	28,522	35,093
Total amount invoices paid	242,750	271,040
Amount invoices paid within the legal deadline	231,106	165,557
%	95%	61%
Total number of invoices paid	23,164	23,556
Number of invoices paid within the legal deadline	21,044	9,470
%	91%	40%

19. Provisions

Movement in provisions in 2025 and 2024 is as follows:

	<u>Thousands of Euros</u>			
	<u>Emission allowances</u>	<u>Personnel</u>	<u>Other provisions</u>	<u>Total</u>
At 31 December 2024	50,699	6,053	11,258	68,010
Charge against profit or loss	46,366	1,463	1,697	49,526
Reversion	-	(1,260)	(1,364)	(2,624)
Payments	(50,699)	-	-	(50,699)
Other	-	(33)	-	(33)
At 31 December 2025	46,366	6,223	11,591	64,180

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	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

The provision for emission allowances includes the estimated surrender of emission allowances in 2025 and 2024 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 in the form of bank guarantees and other sureties related to the ordinary course of business amounting to EUR 16,712 thousand (EUR 16,607 thousand in 2024). These guarantees mainly correspond to commitments issued in favour of public bodies. The Directors of the Group do not expect any significant liability to arise as a result of these guarantees.

On 28 April 2025, the production facilities of the Vidrala Group located in the Iberian Peninsula were affected by a widespread power outage in Spain and Portugal. This incident caused the temporary shutdown of operations at the affected plants and created safety risks for personnel due to the impact on a production process based on the melting of materials at high temperatures. These risks were managed in accordance with internal emergency protocols, and no significant personal injuries were reported.

As a consequence of the incident, the Vidrala Group incurred material damage to assets associated with the production process, as well as extraordinary costs aimed at preserving the integrity and maintenance of the production facilities—particularly the melting furnaces. In addition, a significant volume of glass-container production was lost and could not be recovered.

As of the date of preparation of these annual accounts, the Vidrala Group continues to assess the definitive impact of the incident and to analyse the available actions to obtain, where applicable, compensation for the losses incurred. However, the Group considers that the effect of these matters is not material for the consolidated annual accounts.

21. Environmental Information

Continuous improvement in the environmental area is detailed in the annual sustainability report and is reflected in the positive results obtained in environmental certifications under ISO 14001:2015, which confirm the organization's sound environmental performance.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Regarding actions related to emissions, in 2025 the Vidrala Group incurred EUR 1,757 thousand in expenses (EUR 1,872 thousand in 2024).

Environmental performance in 2025 also generated expenses amounting to EUR 3,562 thousand (EUR 4,009 thousand in 2024), mainly related to waste management.

Investments considered to be sustainable totaled EUR 2,214 thousand (EUR 7,320 thousand in 2024).

The sustainable investment figure presented refers to those investments that are eligible as specified in the European Union Taxonomy under Delegated Regulation (EU) 2021/2178. These relate to the renovation of buildings; the installation, maintenance and repair of energy-efficiency equipment, as well as instruments for measuring, regulating and controlling the energy performance of buildings; the installation, maintenance and repair of renewable energy technologies; the construction of water collection, treatment and distribution systems; R&D&I activities; and the repair, renovation and remanufacturing of production assets linked to the circular economy.

22. Revenue and Other Income

The breakdown of Net Revenue has been presented in Note 4 together with the segment information.

Details of other income are as follows:

	Thousands of Euros	
	2025	2024
Operating grants (nota 15)	3,453	266
Capital grants taken to income	1,389	1,710
Other income	43,124	26,211
	47,966	28,187

23. Merchandise, raw materials and consumables used

The breakdown of net purchases of raw materials, consumables and manufacturing supplies, together with the change in inventories and the related impairment, is as follows:

	Thousand euros	
	2025	2024
Net purchases	(587,523)	(587,428)
Change in inventories	8,073	(19,647)
Impairment	(2,750)	(2,200)
	(582,200)	(609,275)

24. Other Expenses

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Details of other expenses are as follows:

	<u>Thousands of Euros</u>	
	<u>2025</u>	<u>2024</u>
External services (note 24.a)	(66,879)	(71,743)
Sales expenses (note 24.b)	(116,533)	(113,738)
Taxes	(7,796)	(7,480)
Impairment and bad debt of trade and other payables (note 12)	1,145	(1,182)
Other operating expenses	<u>(13,228)</u>	<u>(12,227)</u>
	<u>(203,291)</u>	<u>(206,370)</u>

a. External services

The detail of “External services” is as follows:

	<u>Thousand euros</u>	
	<u>2025</u>	<u>2024</u>
Repair and maintenance	(41,854)	(42,957)
Independent professional services	(1,790)	(2,331)
Insurance	(6,864)	(6,793)
Supplies	(1,098)	(1,100)
Other services	<u>(15,273)</u>	<u>(18,562)</u>
	<u>(66,879)</u>	<u>(71,743)</u>

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 2025 and 2024 are as follows:

	<u>Thousands of Euros</u>	
	<u>2025</u>	<u>2024</u>
Salaries, wages and similar	239,119	224,841
Contributions to defined contribution plans	5,931	5,435
Other employee benefits	<u>55,378</u>	<u>54,397</u>
	<u>300,428</u>	<u>284,673</u>

The ‘Salaries, wages and similar’ line item for the 2025 financial year includes the effect of a restructuring amounting to EUR 13,668 thousand.

The average headcount of the Group in 2025 and 2024, distributed by category, is as follows:

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	Average headcount	
	2025	2024
Senior management and proxies	51	52
Junior management	594	583
Administrative staff	715	704
Operators	<u>3,512</u>	<u>3,547</u>
	<u>4,872</u>	<u>4,886</u>

As of 31 December 2025 and 2024 the distribution by gender of Group personnel and directors is as follows:

	Number			
	2025		2024	
	Female	Male	Female	Male
Board members	4	7	4	7
Management	5	46	3	49
Junior management	137	473	134	450
Administrative staff	260	423	274	451
Operators	307	<u>3,160</u>	273	<u>3,244</u>
	<u>713</u>	<u>4,109</u>	<u>688</u>	<u>4,201</u>

26. Finance Income and Finance Costs

Details of finance income and finance costs are as follows:

<u>Finance income</u>	Thousands of Euros	
	2025	2024
Exchange gains	5,237	-
Other finance income	<u>9,864</u>	<u>14,267</u>
Total finance income	<u>15,101</u>	<u>14,267</u>
	Thousands of Euros	
<u>Finance costs</u>	2025	2024
Interest on loans and borrowings	(29,253)	(40,046)
Hedging derivatives	(1,570)	(140)
Other finance costs	(178)	(120)
Exchange losses	-	(2,245)
Total finance costs	<u>(31,001)</u>	<u>(42,551)</u>

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:

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

	2025	2025	2024
	recurring (*)	<u>2025</u>	<u>2024</u>
Profit for the year attributable to equity holders of the Parent (thousands of Euros) *	219,592	209,341	298,315
Profit for the year from continuing operations	219,592	209,341	238,250
Profit for the year from discontinued operations	-	-	60,065
Weighted average number of ordinary shares outstanding (thousands)	<u>35,206</u>	<u>35,206</u>	<u>33,692</u>
Basic earnings per share (Euros per share)	<u>6.24</u>	<u>5.95</u>	<u>8.85</u>
Earnings per share from continuing operations	<u>6.24</u>	<u>5.95</u>	<u>7.07</u>
Earnings per share from discontinued operations	<u>0.00</u>	<u>0.00</u>	<u>1.78</u>

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

	<u>2025</u>	<u>2024</u>
Ordinary shares outstanding at 1 January	35,206,258	33,529,770
Effect of own shares	<u>311</u>	<u>(162,381)</u>
Weighted average number of ordinary shares outstanding at 31 December	<u>35,205,947</u>	<u>33,692.151</u>

The earnings per share for the year 2024, adjusted for the effect of the capital increase approved in April 2025, would amount to 8.43 euros per share.

(*) The profit for the 2025 financial year is presented adjusted for the effect of a restructuring amounting to EUR 13,668 thousand, less its corresponding tax effect of EUR 3,417 thousand, resulting in a net impact of EUR 10,251 thousand.

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 the 2025 and 2024 financial years, the Group did not carry out any related-party transactions in respect of the purchase or sale of goods or the provision of services.

(p) Related party balances

The Group has no balances with related parties other than the participating loan to Envasados Eva described in Note 5 to these Consolidated Financial Statements.

(q) Conflicts of interest concerning the directors

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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	
	2025	2024
Salaries and other current remuneration paid to employees, management and directors	<u>3,439</u>	<u>3,831</u>

During 2025, no amounts were accrued in respect of incentives or termination benefits, whereas an amount of EUR 5,100 thousand was accrued in 2024.

As of 31 December 2025, the number of senior executives amounted to 11 individuals (11 in 2024).

During the 2025 financial year, loans were granted to senior management personnel amounting to EUR 1,418 thousand, whereas no amounts were granted under this concept in 2024. During 2025, the Parent Company paid directors' civil liability insurance premiums amounting to EUR 52 thousand (EUR 58 thousand in 2024) to cover damages arising from the performance of their duties.

(s) Remuneration of the directors of Vidrala

The members of the Board of Directors of the Parent Company have not been granted any guarantees, advances, loans or rights of any kind relating to pension commitments. Total remuneration accrued by the members of the Board of Directors—including, globally, salaries, attendance fees and remuneration of any kind—amounted to EUR 1,943 thousand (EUR 1,799 thousand in 2024).

No incentive amounts were accrued in 2025 or 2024.

The Group redefined the composition of senior management, including from 30 June 2024 those employees reporting directly to the Chief Executive Officer and the Internal Auditor. Accordingly, the amount disclosed in the 2024 consolidated annual accounts included the remuneration of the members of the Management Committees of the business units up to 30 June, and the remuneration of the newly defined Senior Management from that date through 31 December 2024, while the IAGC excluded an amount of EUR 308 thousand corresponding to the remuneration of individuals who ceased to be considered senior management under the new definition.

29. Audit Fees

VIDRALA, S.A. and SUBSIDIARIES

Notes to the Consolidated Annual Accounts

The firm auditing the annual accounts of the Group has accrued net fees for professional services during the years ended 31 December 2025 and 2024 as follows:

	Thousands of Euros	
	2025	2024
Ernst&Young, S.L.		
Audit services	555	572
Other services	<u>105</u>	<u>104</u>
Total EY	<u>660</u>	<u>676</u>

These amounts include all fees for services rendered during 2025 and 2024, irrespective of the date of invoice.

During 2025 and 2024, other auditors have billed the Group an amount of 0 and 38 thousand euros, respectively, for audit fees.

30. Events after the reporting period

On 11 December 2025, the Vidrala Group reached an agreement for the acquisition of 100% of the share capital of the Chilean company Cristalerías Toro. Cristalerías Toro is a glass-container producer located in the metropolitan area of Santiago de Chile. It has an installed capacity of approximately 145,000 tonnes of glass per year, serving a broad range of customers in the food and beverage segments, many of which are global, strategic and highly complementary to Vidrala's commercial base. The company has received technical assistance services from Vidrala for several years.

The expected purchase price of the transaction corresponds to a total enterprise value of approximately EUR 77 million, which includes assumed debt and a portion of the price subject to deferred payment. Cristalerías Toro is expected to generate in 2025 sales of approximately CLP 75,000 million and adjusted EBITDA of approximately CLP 13,000 million, equivalent to EUR 70 million and EUR 12 million, respectively.

Completion of the transaction is subject to several conditions, most notably an organisational adjustment and adaptation plan, and the agreement of a refinancing arrangement with the current lenders. Completion is expected to take place in the coming weeks.

At the beginning of the 2026 financial year, the Group's plants in Portugal were affected by Storm Kristin. This meteorological event caused interruptions in electricity supply, resulting in the temporary shutdown of facilities and, consequently, affecting production and sales levels at both plants. In addition, material damage was recorded and, as of the date of preparation of these financial statements, continues to be assessed. The preliminary economic impact is estimated to be between EUR 10 million and EUR 15 million; however, this impact is expected to be mitigated through the insurance policies held by the Group and through the support measures implemented by the Portuguese Government.

VIDRALA, S.A. and SUBSIDIARIES

Notes to the 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 2025 and 2024

(Expressed in thousands of Euros)

Details of the Movement of Other Reserves and Accumulated Earnings for the annual fiscal years ended on December 31, 2025 and 2024 (Expressed in thousands of euros)

	Revaluation reserves	Legal reserve	Voluntary reserves	Reserves in fully consolidated companies	Profit for the year	Total
At January 1 2024	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
Distribution of 2024 profit						
Reserves	-	258	94,615	151,609	(246,482)	-
Dividends	-	-	-	-	(51,833)	(51,833)
Share capital increase	-	-	(1,710)	-	-	(1,710)
Share capital decrease	-	-	-	-	-	-
Profit for 2025	-	-	-	-	209,341	209,341
Other	-	-	(838)	-	-	(838)
At December 31 2025	2,311	6,839	930,328	351,161	209,341	1,499,980