Guala Closures Group

INTERIM FINANCIAL REPORT
30 September 2023

Registered and administrative office: Via Rana, 12 - zona industriale D/6, 15122 Spinetta Marengo, Alessandria
Subscribed and fully paid-in share capital € 68.906.646 - Tax code and company registration no. 10038620968

9M 2023 GROUP HIGHLIGHTS

1954 Establishment	**31** Production sites	**4,994** Employees	**645M €** Turnover 9M 2023	**7** R&D Centres UK, Ukraine, Bulgaria, Mexico, China and 2 in Italy
12bn+ Closures 9M 2023	**300+** Closure models	**3** Product lines: safety, luxury and roll-on	**200+** Active intellectual property rights	**100** Countries where we have strong customer partnerships

9M 2023 NET REVENUE BY GEOGRAPHICAL SEGMENT

EUROPE	AMERICAS	ASIA	OCEANIA	AFRICA	GROUP
€364.8m	€181.1m	€55.7m	€26.9m	€16.9m	€645.3m
56.5%	*28.1%*	*8.6%*	*4.2%*	*2.6%*	*100.0%*

9M 2023 NET REVENUE BY PRODUCT

SAFETY	LUXURY	ROLL-ON	OTHER REVENUE	GROUP
€225.9m	€91.2m	€303.8m	€24.4m	€645.3m
35.0%	*14.1%*	*47.1%*	*3.8%*	*100.0%*

9M 2023 NET REVENUE BY DESTINATION

SPIRITS	WINE	WATER	NON-ALC. BEVERAGES	OLIVE OIL & CONDIMENTS	OTHER MARKETS	GROUP
€434.0m	€100.9m	€57.2m	€16.4m	€11.1m	€25.7m	€645.3m
67.3%	*15.6%*	*8.9%*	*2.5%*	*1.7%*	*4.0%*	*100.0%*

COMPANY OFFICERS

BOARD OF DIRECTORS

Chairman	Gabriele Del Torchio
CEO	Mauro Caneschi
Director	Francesco Bove
Director	Marina Brogi
Director	Giovanni Casali
Director	Roberto Maestroni
Director	Chiara Palmieri
Director	Dante Razzano
Director	Francisco Javier De Juan Uriarte
Director	Raffaella Viscardi

BOARD OF STATUTORY AUDITORS

Chairwoman	Mara Vanzetta
Standing auditor	Massimo Gallina
Standing auditor	Fioranna Vittoria Negri
Substitute auditor	Massimiliano Di Maria
Substitute auditor	Mariateresa Salerno

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

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Guala Closures Group

1.1 Introduction

€ 645.3m
9M23 NET REVENUE

SALES NETWORK
IN OVER 100
COUNTRIES

Around 12 BILLION
CLOSURES
PRODUCED IN 9M 2023

3 PRODUCT
CATEGORIES

OVER
200 INTELLECTUAL
PROPERTY RIGHTS

31 FACILITIES
&
2 SALES OFFICES

4,994
EMPLOYEES
AROUND THE WORLD

The Guala Closures Group (the "group") is a leading multinational group manufacturing closures for spirits, wine, water, other non-alcoholic beverages, olive oil and condiments.

The group is a global leader in the safety closures segment. Safety closures are an essential tool against the adulteration and counterfeiting of beverages.

In the nine months of 2023, the group produced and sold over 12 billion closures across its three product lines (safety, luxury, roll-on) and across five destination markets (spirits, wine, water, other non-alcoholic beverages, olive oil & condiments).

Thanks to its policy of continuous product and process development, the group has designed solutions that protect the quality and reputation of the most important international brands, by means of tamper-evident and non-refillable valve systems.

The group invests in production and decoration processes, both to enhance customers' brands through the design and production of high value-added closures and to make difficult a possible counterfeiting.

In addition to traditional materials such as plastic and aluminium, the group uses materials from renewable sources such as wood. All raw materials comply with food contract regulations in Europe, the United States (FDA) and the countries where closures are produced and sold.

Our vision

We produce closures that offer consumers innovation, protection, safety and convenience, while also enhancing our customers' brands.

Our mission

We understand our customers' goals and embrace them as our own, applying creativity, experience, integrity and dedication to deliver superior closures and solutions to them, while reducing our environmental impact on society.

Values

Transparency: clarity, completeness and correctness of information in our business activities and in our interpersonal relations.

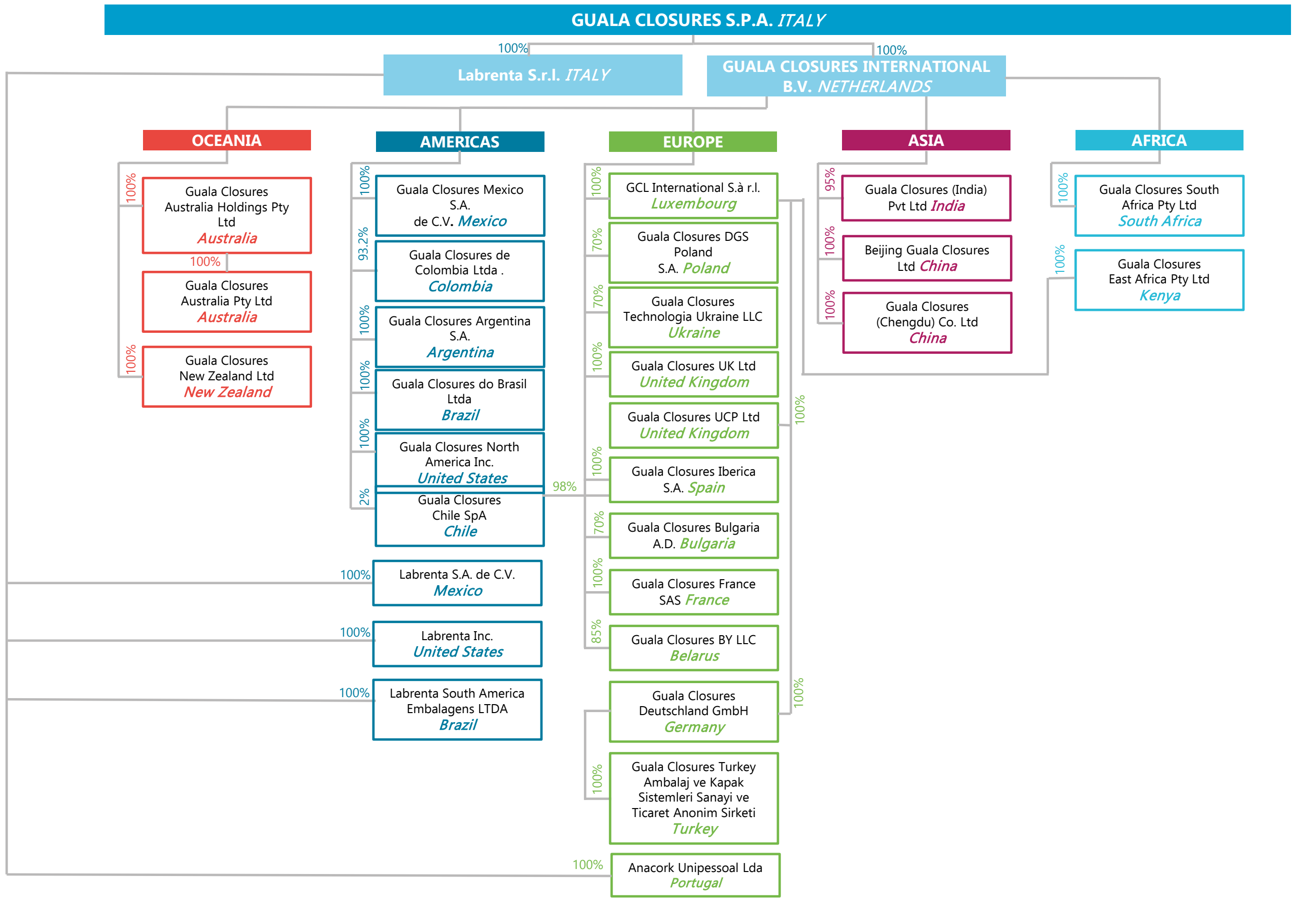
Professionalism: personnel training and growth in the pursuit of continuous and ongoing development.

Protection and well-being of the environment: occupational health and safety, for products and the impact on local communities.

Acknowledging and rewarding results: full disclosure of the goals and the evaluation criteria applied in relation thereto to recognise and reward our human resources.

1.2 The group structure

The Guala Closures Group, owned by the operational company Guala Closures S.p.A., operates on five continents.
The following chart illustrates the group structure at September 30, 2023 (companies consolidated on a line-by-line basis):

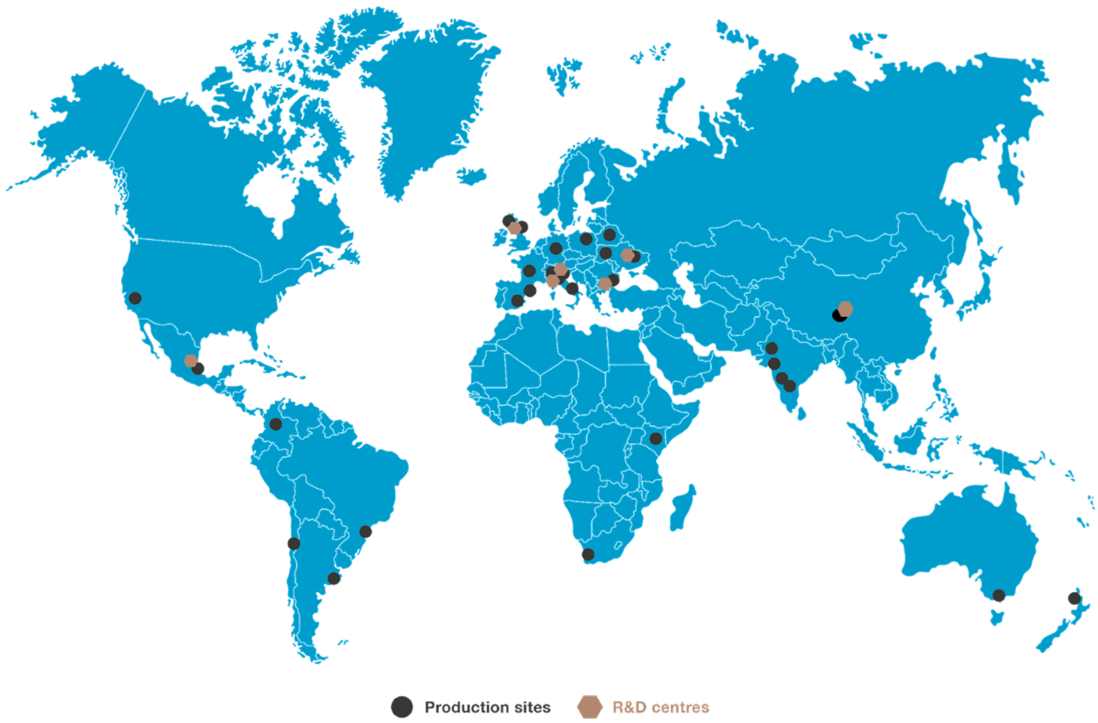


The group structure changed at September 30, 2023 as follows:

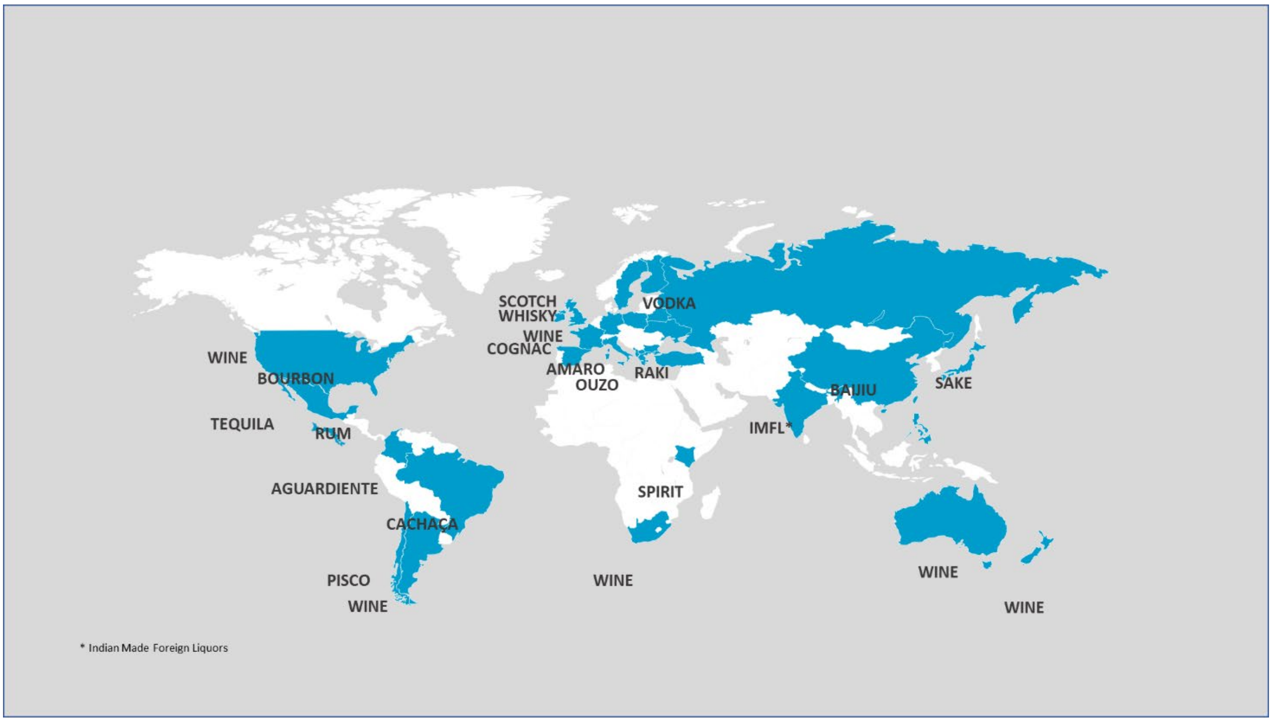
- On June 29, 2023, Guala Closures S.p.A. signed a settlement agreement related to the acquisition of Labrenta S.r.l. occurred in October 2022. In the context of the settlement agreement Guala Closures exercised also the option for the transfer of Anacork Stake (Portugal). The acquisition has been finalized in September 2023.

1.3 International footprint

The Guala Closures Group is a multinational group with 31 facilities and seven research and innovation centres (in the United Kingdom, Ukraine, Bulgaria, Mexico, China and two in Italy).



With a widespread presence, the group enjoys a close relationship and affiliation with its customers given its proximity to their production sites.



1.4 Product lines and destination markets

In the nine months of 2023, the group produced and sold more than 12 billion closures in three product lines and across five destination markets.

Product lines:

Safety closures:

Complex closures designed to fight the phenomenon of counterfeiting of the product, wine or vegetable oil. Made up of various components, they offer systems that prevent fraudulent filling of the bottle.

Luxury closures:

Closures designed in precious materials, such as wood and plastic-metal composites, mainly used by spirits producers to give a luxury image to their most prestigious brands.

Roll-on:

Aluminium screw caps for wine, beverages in glass bottles, fruit juices, non-alcoholic beverages, oil and condiments, which may feature either generic or tamper-evident closure systems.

Destination markets

Spirits:

The Guala Closures Group is renowned as a key partner in the alcoholic beverages market, harnessing technological innovation to offer customised anti-counterfeit closure solutions, while responding to the move towards more premium products.

Wine:

With screw-on aluminium closures, wine is more stable over time and its delicate balance is not compromised during transport. Guala Closures caps also make it easier to open and re-seal the bottle and feature liners that keep the oxygenation of the wine in check so the wine maintains its quality and taste for longer.

Water:

The group produces aluminium closures for sparkling and still mineral water in glass bottles, supplying some of the leading international brands with generic or tamper-evident closure systems featuring capsules based on a patented system to show when a bottle has been opened.

Other non-alcoholic beverages:

The group produces aluminium and plastic closures for sparkling and still beverages, fruit juices and other non-alcoholic beverages protecting its customers with generic or tamper-evident closures. All closures can be customized with high quality graphics to enhance the brand image.

Olive oil & condiments:

The group offers oil producers a wide range of short and long caps, with valves and pourers, as well as anti-drip devices specifically designed for the viscosity of oil which enable the perfect pour. The Group also offers cutting-edge solutions for all types of liquid condiments.

1.5 Research and innovation

The third quarter of 2023 presents a quite stable number of new projects managed by the 7 R&D Centres of the Group, with **more than 250 new designs** of which **roughly 150** are expected to (or already did) go **into production this year**, being most of them luxury new designs.

The **Chinese focus** has brought several new projects, some based on existing closures already present into our range, through a stronger push to new customers with nice customizations, other based on new designs from our partner Fengyi.

We have started a very interesting approach between the Chinese and the Italian R&D structures, based on the **exchange of experiences and solutions** targeted to put together the speed and competitiveness of the Chinese development of new products with the experience and innovation of Guala Closures.

Luxury market segment remains the most important in term of numbers, with a target of about **70%** of the projects; most of them put together luxury and sustainability, a quite consolidated trend in Europe and now growing in other areas like Mexico.

Some observed **general trends in luxury and cosmetics**, mainly in the area of the used materials and re-use, are due to the future European Legislations on the packaging and packaging waste; the Group R&D has read these new indications and is accordingly studying new solutions, testing some innovative technologies to apply to recyclable materials; these solutions will bring new proposals to our customers in the next months.

Another important area of focus is the security and authentication, on which the R&D teams have been investing in order to study and industrialize some innovative solutions that put together **security and sustainability**; these completely new designs use recyclable materials and systems to give a high security to every brand; in the meantime, the stronger interest to **authentication of the product** by the final consumer is giving a push to connected products, where some important projects are moving ahead.

1.6 Sustainability

The nine months of 2023 confirmed the commitment of the Guala Closures Group to sustainability: the monitoring and reporting activities regarding environmental, social and industrial topics over time continued and many other initiatives were launched.

The several projects put in place locally to reduce the consumption of energy, allowed us to decrease our Scope 1 and 2 emissions by 18.3 % and to improve the Energy intensity of our products by 2% in the first nine months of the year versus the same period of 2022. Moreover, the renewable electrical energy used in the group increased to 53.9% from 42% in 2022.

Certifications and ratings:
In February, through an audit Bureau Veritas verified that our 2022 emissions Scope 1, 2 & 3 have been properly calculated in accordance with the GHG Protocol and the Italian plant of Spinetta Marengo achieved the ISO45001 certification (occupational health and safety management system). In March we achieved the target to have 100% of our food safety management systems certified (ISO2200 or FSSC22000), excluding China (waiting for new plant) and Labrenta (recently acquired). In the first quarter we received the rating from Ecovadis and we achieved the Silver medal, with a score of 69/100. Guala Closures, according to EcoVadis, ranks in the TOP 7 percent of companies with the best sustainability performance in the same industry.
In September Guala Closures Group won the award "A – Best Corporate Sustainability Strategy" in the Private Equity Wire European ESG Awards.

Reporting:
During the first quarter, the Sustainability department prepared the Sustainability Report 2022, according to the "Global Reporting Initiative Sustainability Reporting Standards" ("GRI Standards"), which currently constitutes the most widespread and internationally recognized standard in the field of non-financial reporting. The data reported in the report were verified by KPMG through on site and remote audit. In addition, in the second quarter we prepared the "Sustainable Development annual report 2022" that is available on our website starting from June.

Strategy:
In the first semester 2023, the new 2030 strategy "Sustainable together 2030" has been approved by the Board of Directors and it has been presented to all the Business Units. With "Sustainable Together 2030" we will accelerate the transition of the group towards a carbon-neutral and resource-efficient economy and we are aiming for ambitious environmental, social and governance goals to be achieved together by 2030.

Financial Performance

1.7 Group performance

Key figures

(€m)	9M 2022	9M 2023	% variation
Net revenue	**651.4**	**645.3**	*(0.9)%*
Adjusted gross operating profit (Adjusted EBITDA)[1]	**121.0**	**137.0**	*13.2%*
Adjusted gross operating profit (Adjusted EBITDA)[1] *margin*	*18.6%*	*21.2%*	
	Dec 31, 2022	**Sep 30, 2023**	
Net financial indebtedness [2]	489.0	460.3	
Employees		4,994	
Facilities: 31 production facilities and 2 sales offices in 24 countries on 5 continents			
Intellectual property rights		over 170	

Note:

[(1)] Reference should be made to the section Alternative performance indicators – Guala Closures Group in this report for information on the alternative performance indicators, such as adjusted gross operating profit.
[(2)] Net financial indebtedness consists of financial liabilities minus cash and cash equivalents, as well as financial assets.

Persistent high inflation and supply chains disruption continue to represent a risk to the world economy, with GDP growth expectations moderating worldwide. The high inflation has triggered a generalised tendency to implement corrective measures in terms of interest rate increases, with possible consequences for global growth.

Furthermore, the Russian-Ukraine conflict continues to generate geopolitical tensions with volatility and uncertainty, adding further inflationary pressure impacting consumer demand, combined with logistics constraints.

Net revenue of the Group for the nine months of 2023 are substantially in line with the same period of 2022, with a decrease in volumes, partially compensated by higher average selling price. The Adjusted EBITDA margin improved by 2.6% from 18.6% in the nine months of 2022 to 21.2% in the nine months of 2023 mainly thanks to better Sales Mix (mainly due to premiumisation initiatives), positive cost/price evolution, Operational Improvements and overheads control.

Net financial indebtedness at September 30, 2023 was €460.3 million, with a decrease of €28.7 million compared to the value at December 31, 2022 (€489.0 million) and an increase of €4.8 million compared to September 30, 2022 (€455.8 million) mainly due to the acquisition of Labrenta occurred in October 2022.

Significant events of the period

The main events which affected the Guala Closures Group in the first nine months of 2023 are summarised below:

Guala Closures Bulgaria Amendment to Shareholders' Agreement

On February 2, 2023, Guala Closures International B.V. and TD Partners entered into an amendment to the Shareholders' Agreement signed in 2010, which provides, among others, new trigger events for the put and call option rights as well as the definition of "Fair Market Value" to be applied in case such right are exercised.

Guala Closures Chengdu

In the nine months 2023, Guala Closures Chengdu has terminated the preparation of the new production site in Qionglai, in line with the timetable originally scheduled.
In July 2023, Beijing Guala Closures has terminated the production in Beijing and all production activities started in September 2023 in the new site in Qionglai.

Investment in China

In July 2023, Guala Closures Group has undertaken the commitment to further invest in China, both for the organic and inorganic growth of its local business, strengthening the presence for the supply of closures in the baijiu market. The process has been finalized on October 31, 2023.

Labrenta settlement agreement

On June 29, 2023, Guala Closures S.p.A. signed a settlement agreement related to the acquisition of Labrenta S.r.l. occurred in October 2022. The settlement agreement defined earn-out and other purchase price adjustments. In accordance with the settlement no variable and/or additional compensations to Cortapedra are now contemplated.
In the context of the settlement agreement, the Group, through Labrenta S.r.l., exercised also the option with Cortapedra S.r.l. for the transfer of Anacork Stake. The acquisition of the entire share capital of Anacorks Unipessoal Lda has taken place on September 18, 2023.

Organization

In July 2023, the Group appointed three Senior management position: Luca Mammola as Chief Financial Officer (Claudia Banfi became Deputy Chief Financial Officer), Andrea Cappelletto as Managing Director of Labrenta (Gianni and Amerigo Tagliapietra became respectively Group Innovation Lead and Business developer of international markets) and Jonathan Marshall as Business Development Manager Spirits (Global).

As agreed at the outset of Gabriele Del Torchio's appointment, the succession plan is being implemented, with Gabriele transitioning to a Chairman role and Mauro Caneschi taking over as Chief Executive Officer. Mauro Caneschi joins from Campari Group where he was responsible for the Americas, Campari's largest business

division accounting more than 40% of EBIT. Previously, he held responsibilities in Heineken, Scottish & Newcastle and Danone Group.
Mauro Caneschi has been appointed as Group CEO on September 27, 2023.

Effective as of December 31, 2023, Mr. Franco Bove will step down as Chief Operating Officer of Guala Closures, but he is expected to remain with the group as a member of the board of directors of Guala Closures.

Acquisition of a further stake of 15% in Guala Closures BY LLC

On August 2, 2023, Guala Closures International B.V. has achieved an agreement with one of the minority shareholder for the acquisition of a further 15% in the company for a symbolic consideration of €1. Following this transaction, the Group investment in Guala Closures BY LLC increased from 70% to 85%.

Sale of the participation held in Sharpend

On September 26, 2023, the controlled entity GCL International S.à r.l. reached an agreement for the sale of the stake equal to the 30% of the share capital, held in the company Sharpend limited, not being such company strategic anymore.

The consideration has been established at nominal value, in addition to a contingent consideration shall calculated as follows:

- 50% of all proceeds realized by the buyer until December 31, 2030, until the Seller has received an amount equal to GBP 2.4 million
- Once GCL International has received the above amount, 15% of further proceeds realized by the buyer during the same period.

Russia – Ukraine conflict

The group is continuously monitoring the conflict started in February 2022, actively working to optimize the organization of production and logistic. No business interruption occurred and impacted the customers thanks to the Group business model which guarantees product delivery thanks to the availability of alternative production sites within the Group.
Among other things, GC Ukraine in second half 2022 moved a part of its production lines to a satellite plant located in the city of Ternopil, near the Polish Border, where the company employs around 100 people.

GC Ukraine still has to comply with certain administrative restrictions on currency conversion transactions and payments abroad adopted by the National Bank of Ukraine and transactions with Russian and Belarussian-based companies are forbidden. These restrictions do not apply to aluminum importation.
The current sanctions adopted by the EU and the USA against Russia are currently not significantly impacting our business.

At the date of these condensed interim consolidated financial statements, there have not been significant impacts with respect to what was reported in the 2022 consolidated financial statements.

Financial performance

ANALYSIS OF THE FINANCIAL PERFORMANCE

The table below summarises the financial performance of the Guala Closures Group for the first nine months of 2023 and 2022. The figures for 9M 2023 include the effect of the consolidation of Labrenta Group (acquired in the last quarter 2022).

Statement of profit or loss	**9M 2022**		**9M 2023**	
	(€'000)	*% of net revenue*	*(€'000)*	*% of net revenue*
Net revenue	**651,408**	***100.0%***	**645,307**	***100.0%***
Change in finished goods and semi-finished products	18,397	*2.8%*	(9,813)	*(1.5%)*
Other operating income	4,239	*0.7%*	5,274	*0.8%*
Internal work capitalised	3,562	*0.5%*	5,041	*0.8%*
Costs for raw materials	(320,256)	*(49.2%)*	(277,863)	*(43.1%)*
Costs for services	(117,500)	*(18.0%)*	(112,299)	*(17.4%)*
Personnel expense	(110,768)	*(17.0%)*	(124,393)	*(19.3%)*
Other operating expense	(14,328)	*(2.2%)*	(8,884)	*(1.4%)*
Impairment losses	(6,410)	*(1.0%)*	(490)	*(0.1%)*
Gross operating profit (EBITDA)	**108,344**	***16.6%***	**121,879**	***18.9%***
Amortisation and depreciation	(39,403)	*(6.0%)*	(36,655)	*(5.7%)*
Operating profit (EBIT)	**68,941**	***10.6%***	**85,225**	***13.2%***
Financial income	18,951	*2.9%*	16,726	*2.6%*
Financial expense	(30,344)	*(4.7%)*	(38,832)	*(6.0%)*
Net financial expense	**(11,392)**	***(1.7%)***	**(22,106)**	***(3.4%)***
Profit before taxation	**57,549**	***8.8%***	**63,119**	***9.8%***
Income taxes	(14,222)	*(2.2%)*	(25,230)	*(3.9%)*
Profit for the period	**43,327**	***6.7%***	**37,889**	***5.9%***
Attributable to:				
- the owners of the parent	33,632	*5.2%*	29,954	*4.6%*
- non-controlling interests	9,695	*1.5%*	7,934	*1.2%*

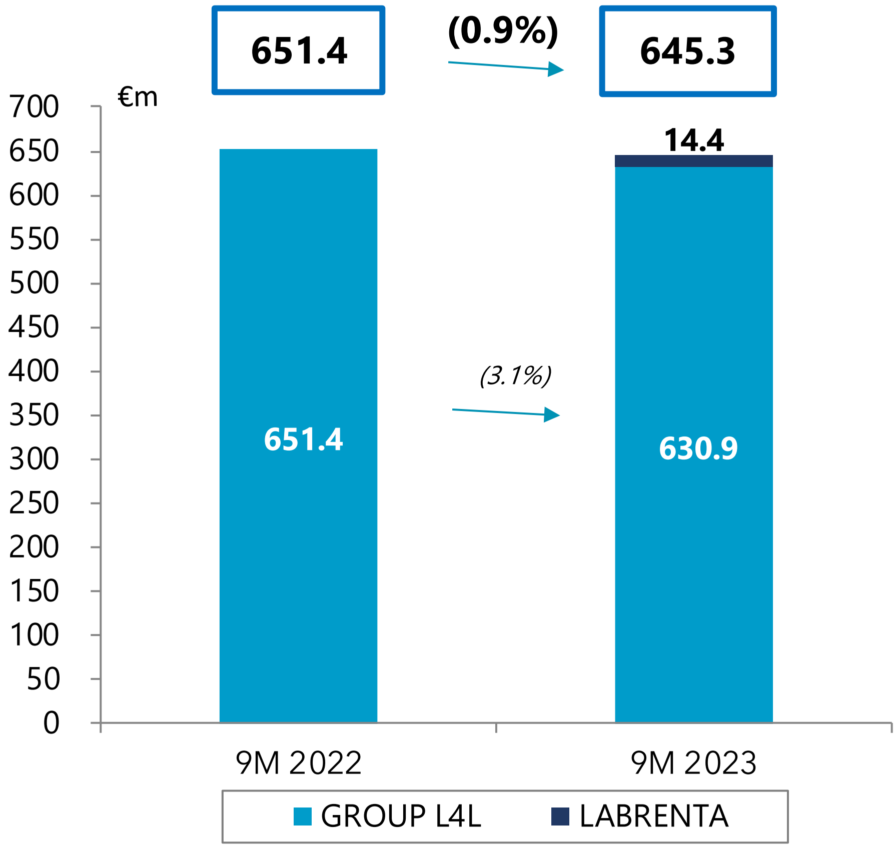
Adjusted gross operating profit (Adjusted EBITDA)	**121,039**	***18.6%***	**137,010**	***21.2%***

Note:

For information on the calculation of the adjusted gross operating profit reference should be made to page 38.

NET REVENUE

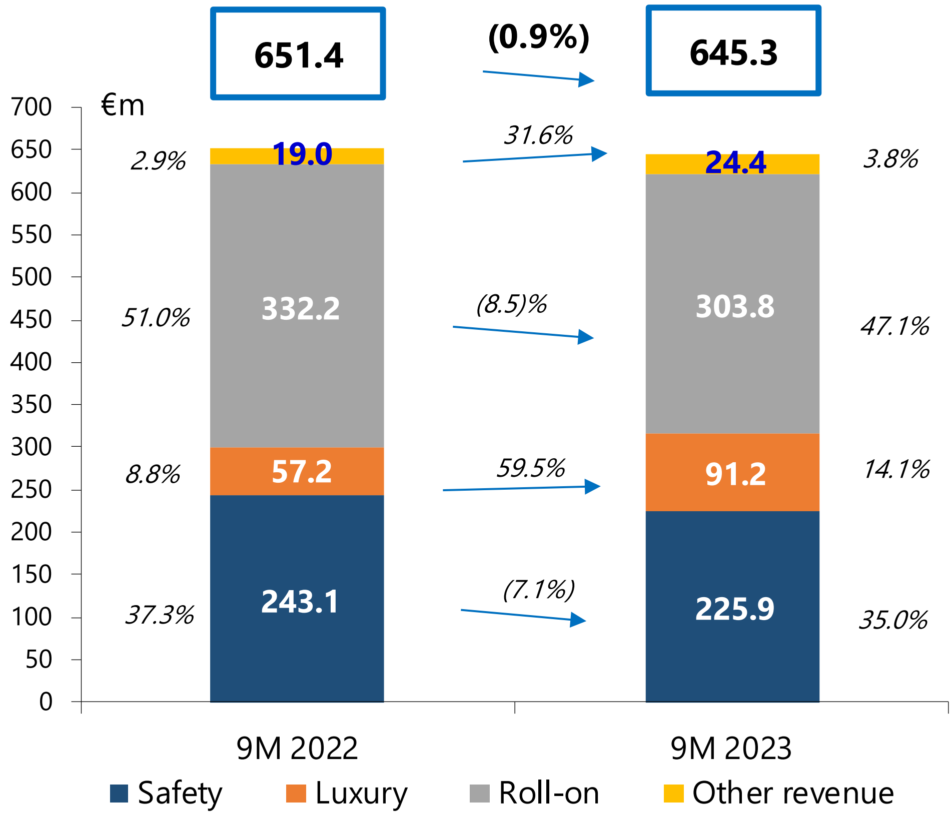
The following chart illustrates the nine months of 2023 trend in revenue compared to the same period of 2022.

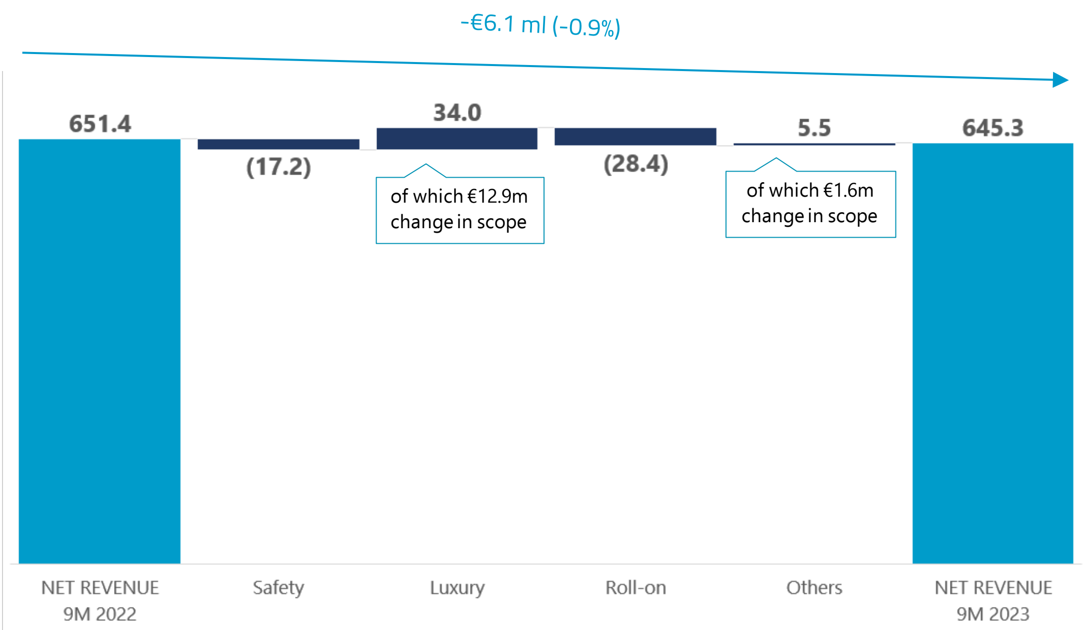


In the nine months 2023, consolidated net revenue was €645.3 million, down €6.1 million (-0.9%) on the nine months 2022 mainly due to lower quantities sold. The organic reduction of €20.5 million (-3.1%) (without nine months revenues coming from Labrenta acquisition of €14.4 million) is mainly due to the decrease in the Roll-on and safety segments.

NET REVENUE BY PRODUCT

The following graphs give a breakdown of and changes in net revenue by product versus the nine months of 2022:





Revenue from **safety** closures decreased by €17.2 million from €243.1 million in the nine months 2022 (37.3% of net revenue) to €225.9 million in the nine months 2023 (35.0%). The reduction is entirely organic and it is mainly driven by the decrease in India and UK.

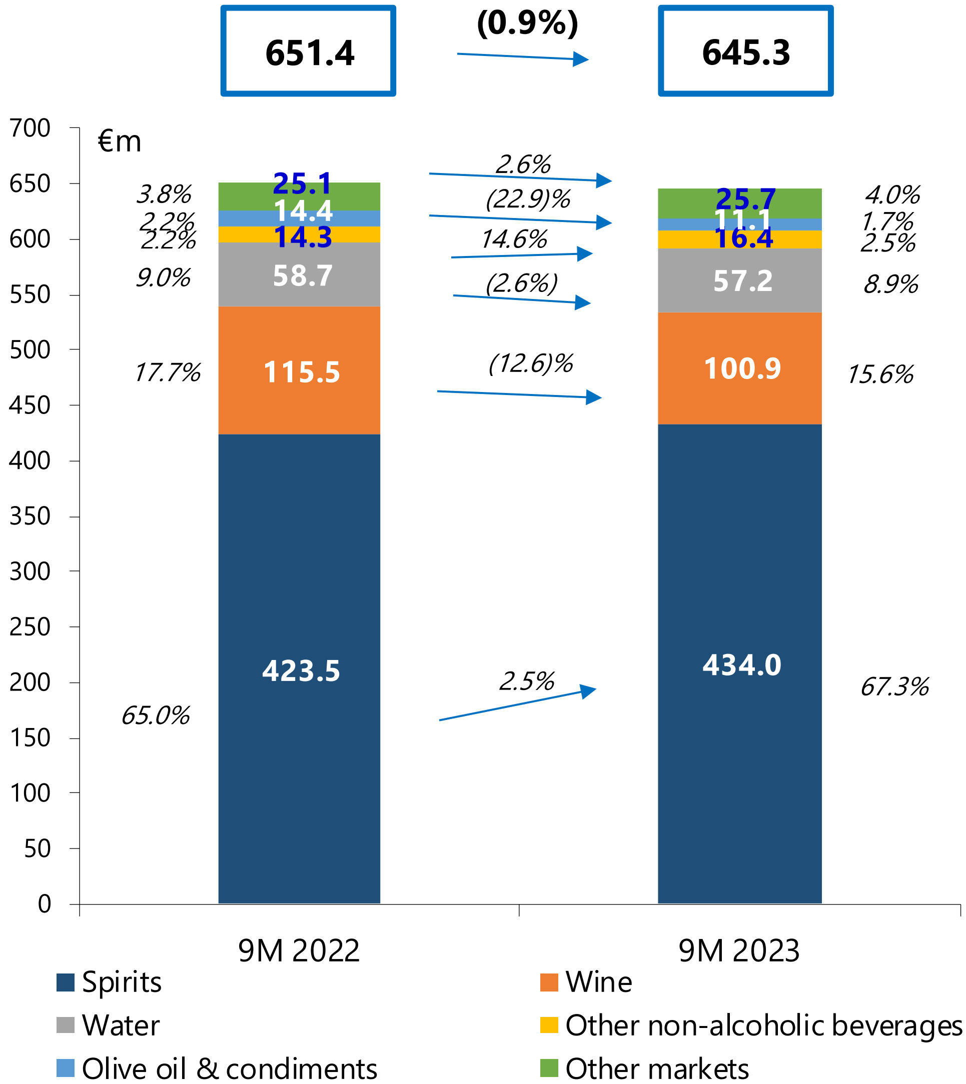
Revenue from **luxury** closures increased by €34.0 million from €57.2 million in the nine months 2022 (8.8% of net revenue) to €91.2 million in the nine months 2023 (14.1%), due to the increase in both volumes and average price, mainly related to the development of the luxury business in the Americas and Europe and to the change in perimeter of €14.4 million related to the acquisition of Labrenta business.

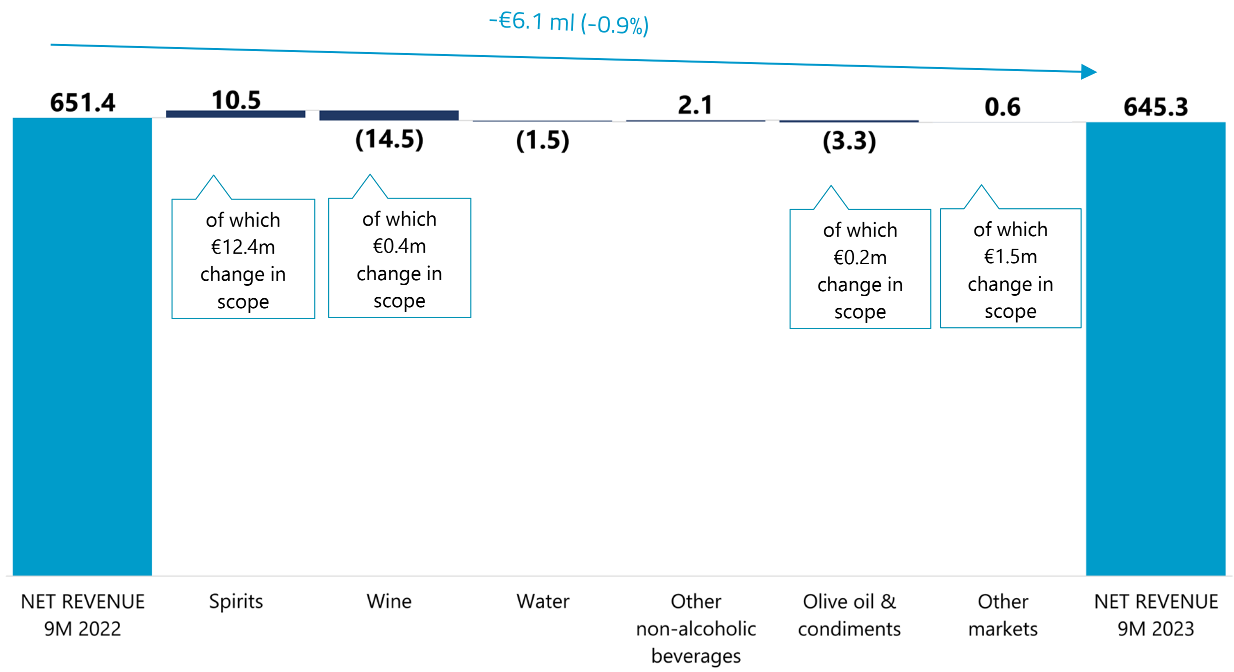
Revenue from **roll-on** closures decreased by €28.4 million from €332.2 million in the nine months 2022 (51.0% of net revenue) to €303.8 million in the nine months 2023 (47.1%) mainly due to lower volumes.

Other revenue increased by €5.5 million from €19.0 million in the nine months 2022 (2.9% of net revenue) to €24.4 million in the nine months 2023 (3.8%). Other revenue includes sale of closures for the pharmaceutical sector, PET and other revenue not included in the previous categories.

NET REVENUE BY DESTINATION MARKET

The charts below indicate the trend in revenue by destination market:





The net revenue decrease in the nine months 2023 was mainly due to the Wine market which is the second destination market of the Group.

The **spirits market** is the group's main destination market and generated 67.3% of net revenue in the first nine months 2023. Revenue increased by €10.5 million from €423.5 million in the nine months 2022 (65.0% of net revenue) to €434.0 million in the nine months 2023. The increase was realised thanks to the increase in Americas and to the contribution coming from the acquisition of the Labrenta business.

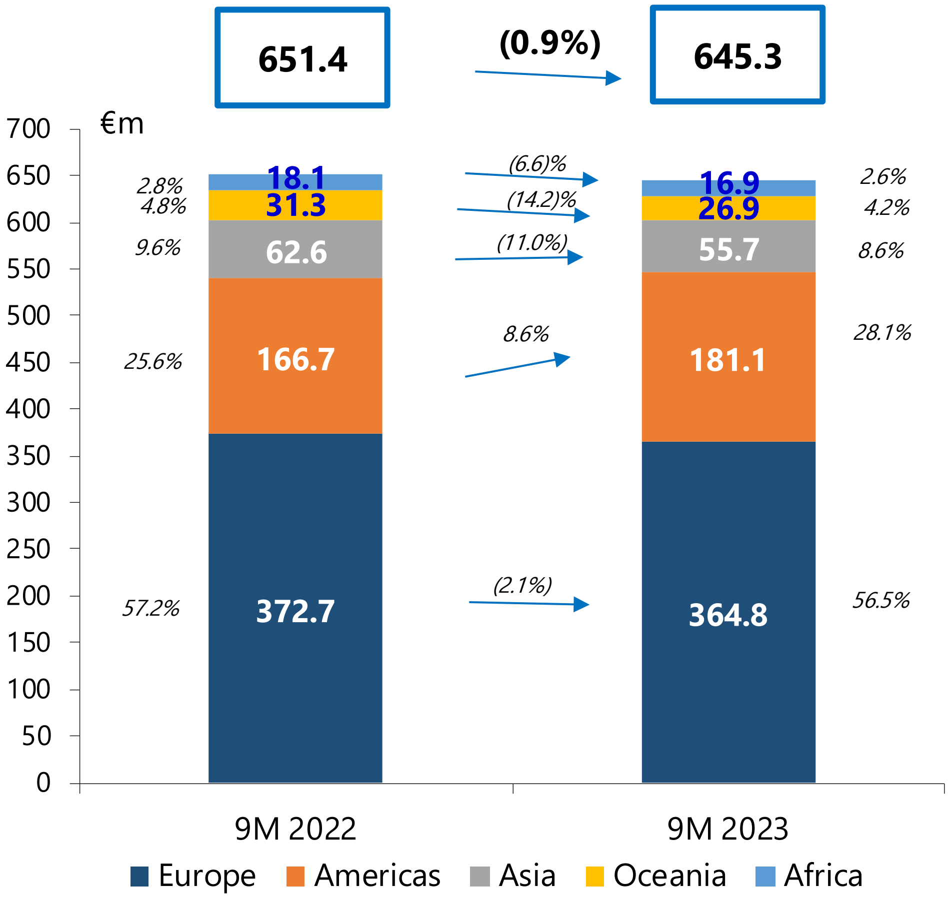
The **wine market** is the group's second largest destination market and generated 15.6% of net revenue in 2023. Revenue from the sale of wine closures decreased by €14.5 million from €115.5 million in the nine months 2022 (17.7% of net revenue) to €100.9 million in the nine months 2023 as the group is suffering the impact of lower exports from South America and Oceania markets and lower volumes in Europe due to lower consumption.

The **water market** shows a reduction of 2.6% from €58.7 million in the nine months 2022 to €57.2 million in the nine months 2023 (incidence almost stable at 8.9% of net revenue).

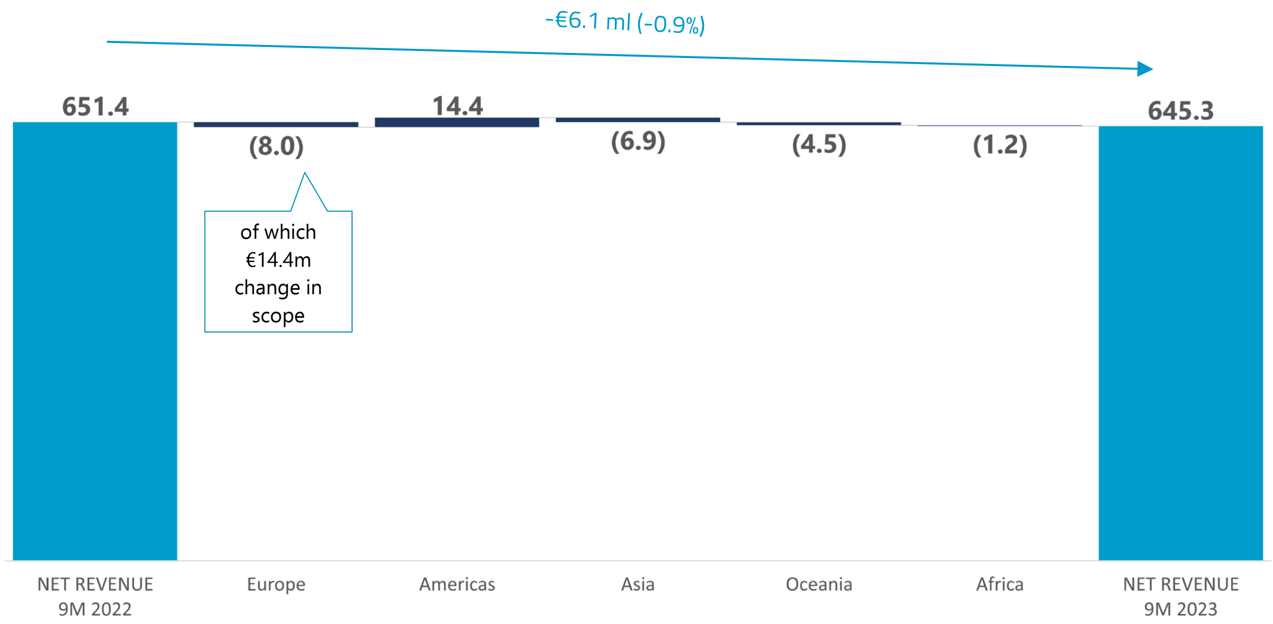
The **other non-alcoholic beverages market** increased by 14.6% compared to 2022 due to some customers growth in specialty beverages.

NET REVENUE BY GEOGRAPHICAL SEGMENT

The table below shows a breakdown of net revenue by geographical segment based on the location of the production site:



The chart below indicates the trend in revenue by geographical segment:



Net revenue from operations in **Europe** decreased by €8.0 million from €372.7 million in the nine months 2022 (57.2% of net revenue) to €364.8 million in the nine months 2023 (56.5%).
This decrease is mainly due to lower performance in Poland, Scotland and Germany due to the decrease in spirits, wine, water and oils, partly compensated by the positive contribution from the acquisition of the Labrenta business (€14.4 million).

Net revenue from operations in the **Americas** increased by €14.4 million from €166.7 million in the nine months 2022 to €181.1 million in the nine months 2023 (25.6% and 28.1% of net revenue, respectively) mainly due to the increase in the spirits (both safety and luxury) segment.

Net revenue from operations in **Asia** decreased by €6.9 million, from €62.6 million in the nine months 2022 to €55.7 million in the nine months 2023 mainly due to lower volumes in India.

Net revenue from operations in **Oceania** decreased by €4.5 million, from €31.3 million in the nine months 2022 (4.8% of net revenue) to €26.9 the nine months 2023 (4.2%) mainly due to lower volumes in Australia.

Net revenue from operations in **Africa** decreased by €1.2 million from €18.1 million in the nine months 2022 (2.8% of net revenue) to €16.9 million in the nine months 2023 (2.6%) mainly due to lower volumes in South Africa.

The group is not exposed to significant geographical risks other than normal business risks.

OTHER OPERATING INCOME

Other operating income increased by €1.1 million from €4.2 million in the nine months 2022 (0.7% of net revenue) to €5.3 million in the nine months 2023 (0.8%).

INTERNAL WORK CAPITALISED

This caption increased by €1.5 million from €3.5 million in the nine months 2022 (0.5% of net revenue) to €5.0 million in the nine months 2023 (0.8%). Internal work capitalised includes capitalised development expenditure and internal personnel expense for extraordinary maintenance on property, plant and equipment.

COSTS FOR RAW MATERIALS

Costs for raw materials decreased by €42.4 million from €320.3 million in the nine months of 2022 (49.2% of net revenue) to €277.9 million in the nine months of 2023 (43.1%), due to the decrease in the cost of plastic and aluminium and to lower volumes purchased.

COSTS FOR SERVICES

Costs for services decreased by €5.2 million from €117.5 million in the nine months of 2022 (18.0% of net revenue) to €112.3 million in the nine months of 2023 (17.4%). Compared to 2022, the decrease is mainly due to lower utilities costs, both energy and gas.

PERSONNEL EXPENSE

Personnel expense increased by €13.6 million from €110.8 million in the nine months of 2022 (17.0% of net revenue) to €124.4 million in the nine months of 2023 (19.3%). Increase in personnel expense is mainly due to Management Incentive Plan accrual (€6.0 million), to the change in perimeter of Labrenta (€4.9 million) and to the settlement with a senior manager (€3.1 million).

OTHER OPERATING EXPENSE

The table below breaks down and compares other operating expense in the two periods:

(€'000)	9M		
	2022	**2023**	**diff.**
Accruals to provisions	4,657	319	(4,338)
Taxes and duties	2,110	2,215	104
Use of third-party assets	1,537	1,770	232
Impairment losses on trade receivables and contract assets	3,609	2,264	(1,345)
Other charges	2,415	2,317	(98)
Total	**14,328**	**8,884**	**(5,445)**

Other operating expense decreased by €5.5 million from €14.3 million in the nine months of 2022 (2.2% of net revenue) to €8.9 million in the nine months of 2023 (1.4%), mainly due to lower accruals to provisions and lower impairment losses on trade receivables.

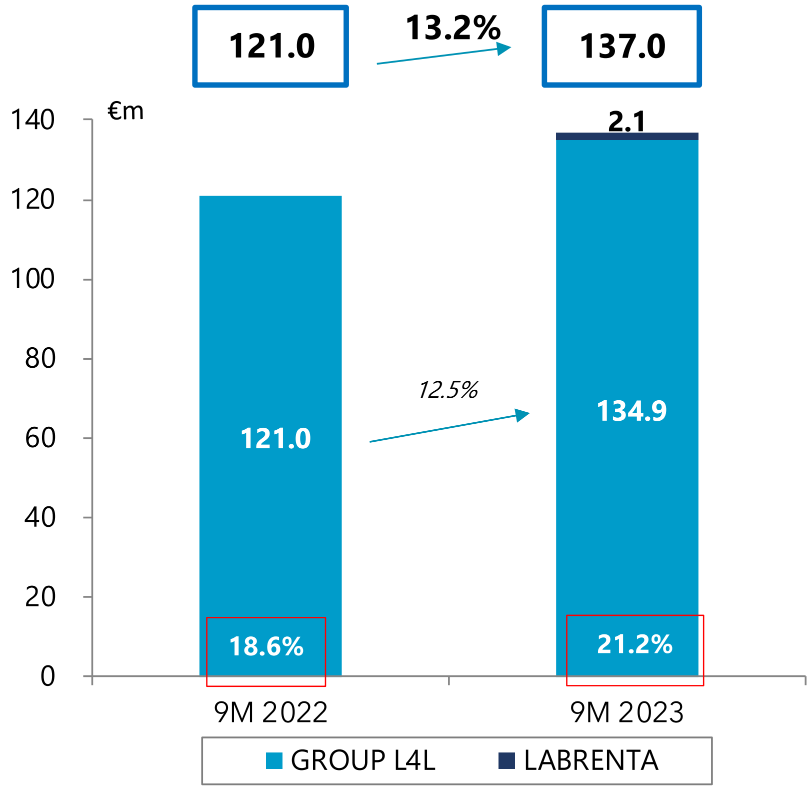
IMPAIRMENT LOSSES

Impairment losses decreased by €5.9 million from €6.4 million in the nine months of 2022 (1.0% of net revenue) to €0.5 million in the nine months of 2023 (0.1%). Impairment losses in the nine months of 2022 were mainly related to the customer relationship of Guala Closures Technologia Ukraine LLC which have been impaired by around €5 million due to the loss of the business in Russia and €1 million for the full net book value of property, plant and equipment and right-of-use assets of Guala Closures Belarus as a consequence of the risk not to be able to recover the value of the fixed assets of the company due to the significant uncertainties of the local situation.

ADJUSTED GROSS OPERATING PROFIT

In the nine months of 2023, the reported adjusted gross operating profit (adjusted EBITDA) is €137.0 million, up €16.0 million (+13.2%) on the nine months of 2022 (€121.0 million), of which €2.1 million coming from Labrenta contribution.

The adjusted gross operating profit margin increased from 18.6% of net revenue in the nine months of 2022 to 21.2% in the nine months of 2023, mainly thanks to better Sales Mix (mainly due to premiumisation initiatives), positive cost/price evolution, Operational Improvements and overheads control.



AMORTISATION AND DEPRECIATION

Amortisation and depreciation decreased by €2.7 million from €39.4 million in the nine months of 2022 (6.0% of net revenue) to €36.7 million in the nine months of 2023 (5.7%).

In the nine months of 2023 amortization and depreciation include €12.2 million related to the step-up of the assets value due to PPA procedure accounted in the past years (€12.8 million in the nine months of 2022).

OPERATING PROFIT

In the nine months of 2023, the reported operating profit (EBIT) is €85.2 million, up €16.3 million (+23.6%) on the nine months of 2022 (€68.9 million). Adjusted operating profit in the nine months of 2023 would be €100.4 million compared to €81.6 million in the nine months of 2022.

FINANCIAL INCOME AND EXPENSE

The following table breaks down financial income and expense by nature in the first nine months of 2022 and 2023:

	9M		
(€'000)	**2022**	**2023**	**diff.**
Net interest expense	(14,392)	(14,287)	105
Net exchange gains/(losses)	1,716	(9,198)	(10,914)
Net fair value gains on financial liabilities to non-controlling investors	819	2,810	1,991
Other net financial income/(expense)	465	(1,431)	(1,895)
Net financial expense	**(11,392)**	**(22,106)**	**(10,714)**

Net financial expense increased by €10.7 million from €11.4 million in the nine months of 2022 to €22.1 million in the nine months of 2023. Such increase is mainly due to the €10.9 negative impact on exchange rates.

INCOME TAXES

The following table compares the income taxes in the first nine months of 2022 and 2023:

	9M		
(€'000)	**2022**	**2023**	**diff.**
Current taxes	(23,743)	(28,784)	(5,041)
Deferred taxes	9,521	3,554	(5,967)
Total income taxes	**(14,222)**	**(25,230)**	**(11,008)**

Income taxes increased by €11.0 million from €14.2 million in the nine months of 2022 (2.2% of net revenue) to €25.2 million in the nine months of 2023 (3.9%), mainly due to lower deferred taxes income and higher current income taxes following the higher net income of the period.

PROFIT FOR THE PERIOD

The profit for the nine months of 2023 amounts to €37.9 million, down €5.4 million on the profit of €43.3 million for the previous year.

The decrease in the nine months of 2023 is mainly due to the increase in net financial expense (€10.7 million) and higher taxes (€11.0 million), partially compensated by the increase in the gross operating profit (EBITDA) (€13.5 million) and the reduction in amortisation and depreciation (€2.7 million).

Reclassified statement of financial position

The following table shows the reclassified financial position of the Guala Closures Group as at September 30, 2023 with comparative figures as at December 31, 2022:

(€'000)	December, 31 2022	September 30, 2023
Intangible assets	850,451	844,216
Property, plant and equipment	220,968	248,520
Right-of-use assets	20,607	19,945
Net working capital	181,264	177,092
Net derivative liabilities	(976)	(530)
Employee benefits	(8,055)	(8,373)
Other net liabilities	(76,309)	(80,679)
Net invested capital	**1,187,950**	**1,200,191**
Financed by:		
Net financial liabilities	512,041	510,773
Financial liabilities - Lease	21,226	21,901
Financial liabilities - non-controlling investors	35,260	32,450
Cash and cash equivalents	(79,478)	(104,870)
Net financial indebtedness	**489,049**	**460,254**
Equity	698,901	739,937
Sources of financing	**1,187,950**	**1,200,191**

INTANGIBLE ASSETS

Intangible assets decreased by €6.2 million mainly due to the amortisation of the period (€9.3 million), the adjustment in goodwill relating to the net impact of Labrenta (€5.9 million) partially offset by the increase of the period (€6.6 million, of which over €3 million due to new ERP implementation) and positive exchange translation effect (€2.6 million).

PROPERTY, PLANT AND EQUIPMENT

The €27.5 million increase in property, plant and equipment compared to December 31, 2022 is mainly due to the investments of the period (€46.6 million), partially offset by the depreciation of the period (€21.8 million) and the positive translation impact (€3.0 million).
Capital expenditure in the nine months of 2023, totalling €46.6 million, refers to investments made to increase production capacity, develop new products, perform plant maintenance and EHS (Environment, Health and Safety) investments. Capex mainly refers to equipment across all five continents where the group operates, with a specific focus on the group's facilities in Italy, UK, Mexico, China and Poland.

RIGHT-OF-USE ASSETS

At September 30, 2023, right-of-use assets amount to €19.9 million and mainly relate to the leases of the facilities where the group operates. The value of right-of-use assets decreased compared to December 2022 due the depreciation of the period (€5.6 million) and to the negative translation impact (€0.9 million), partly compensated by the increase of the period (€5.9 million). The main increases relate to GC Ukraine and specifically to the new contracts for rental of a satellite plant located in the city of Ternopil, near to the Polish border, where the company moved a small part of its production lines.

NET WORKING CAPITAL

The table below provides a breakdown of net working capital:

(€'000)	**September 30, 2022**	**December 31, 2022**	**September 30, 2023**
Inventories	159,829	157,192	142,941
Trade receivables	150,282	139,583	129,872
Trade payables	(121,473)	(115,511)	(95,721)
Net working capital (*)	**188,637**	**181,264**	**177,092**

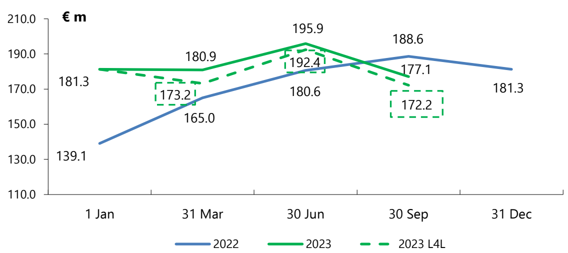
(*) These figures do not match those used to calculate the change in working capital in the statement of cash flows for the applicable period as those amounts have been adjusted to reflect changes in exchange rates on the opening balances and in the number of consolidated companies.
The above net working capital includes certain reclassifications compared to the consolidated format. A reconciliation schedule is attached as Annex B) to this report.

The table and chart below analyse net working capital days, calculated on the last quarter sales figures:

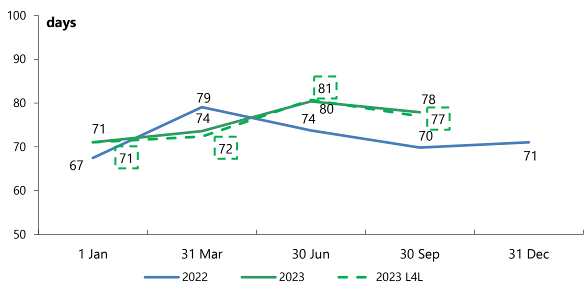
Days	**September 30, 2022**	**December 31, 2022**	**September 30, 2023**
Inventories	59	62	63
Trade receivables	56	55	57
Trade payables	(45)	(45)	(42)
Net working capital days	**70**	**71**	**78**

The chart below refers to the historical trend in net working capital by quarter:

VALUE



DAYS



Net working capital at September 30, 2023 amounted to €177.1 million, with a decrease of €4.2 million compared to December 31, 2022. Compared to September 30, 2022, NWC decreased by €11.5 million despite €5 million impact from Labrenta in September 2023.

Net working capital days at the end of September 2023 (78 days reported, 77 days L4L) are seven days higher than at the end of September 2022 (L4L) as a consequence of certain clients destocking and low market demand in the period, not compensated by payables due to timing of purchases.
The impact of without-recourse factoring at September 30, 2023 amounts to €44.1 million, compared to €42.5 million at December 31, 2022 and €39.1 million at September 30, 2022. The increase is due to an overall increase in turnover with customers whose receivables are usually factored.
Total net working capital days excluding factoring would have increased from 84 days at the end of September 2022 to 97 days at the end of September 2023.

OTHER NET LIABILITIES

The table below provides a breakdown of Other net liabilities:

(€'000)	**December 31, 2022**	**September 30, 2023**
Deferred tax assets	51,929	53,589
Deferred tax liabilities	(88,838)	(87,828)
Net DTA/(DTL)	**(36,909)**	**(34,238)**
Payables to employees and social security	(20,812)	(28,997)
Provisions	(8,149)	(5,163)
Liabilities for dividends	-	(34)
Liabilities for investments	(4,934)	(7,370)
Other net liabilities	(5,504)	(4,876)
Total net other liabilities	**(76,309)**	**(80,679)**

EQUITY

The table below shows a breakdown of equity:

(€'000)	**December 31, 2022**	**September 30, 2023**
Equity attributable to the owners of the parent	652,445	693,549
Equity attributable to non-controlling interests	46,457	46,388
Equity	**698,901**	**739,937**

The increase in equity is mainly due to the profit for the period. The details of the above are provided in the statement of changes in equity.

NET FINANCIAL INDEBTEDNESS

The table below gives a breakdown of net financial indebtedness:

(€'000)	**December 31, 2022**	**September 30, 2023**
Net financial liabilities	512,041	510,773
Financial liabilities - Lease	21,226	21,901
Financial liabilities - non-controlling investors	35,260	32,450
Cash and cash equivalents	(79,478)	(104,870)
Net financial indebtedness	**489,049**	**460,254**

Note:

The above net financial indebtedness includes certain reclassifications compared to the condensed interim consolidated financial statements. A reconciliation schedule is attached as Annex A) to this report.

In the first nine months of 2023, net financial indebtedness decreased by €28.8 million mainly as the result of cash flows generated by operating activities (€97.6 million), partially offset by the cash flows used in investing activities (€49.2 million) and by the change due to financial activities (€19.6 million). This change is an improvement of €22.5 million compared to the change in net financial indebtedness in the nine months of 2022.

The details of the above are provided in the reclassified statement of changes in net financial indebtedness.

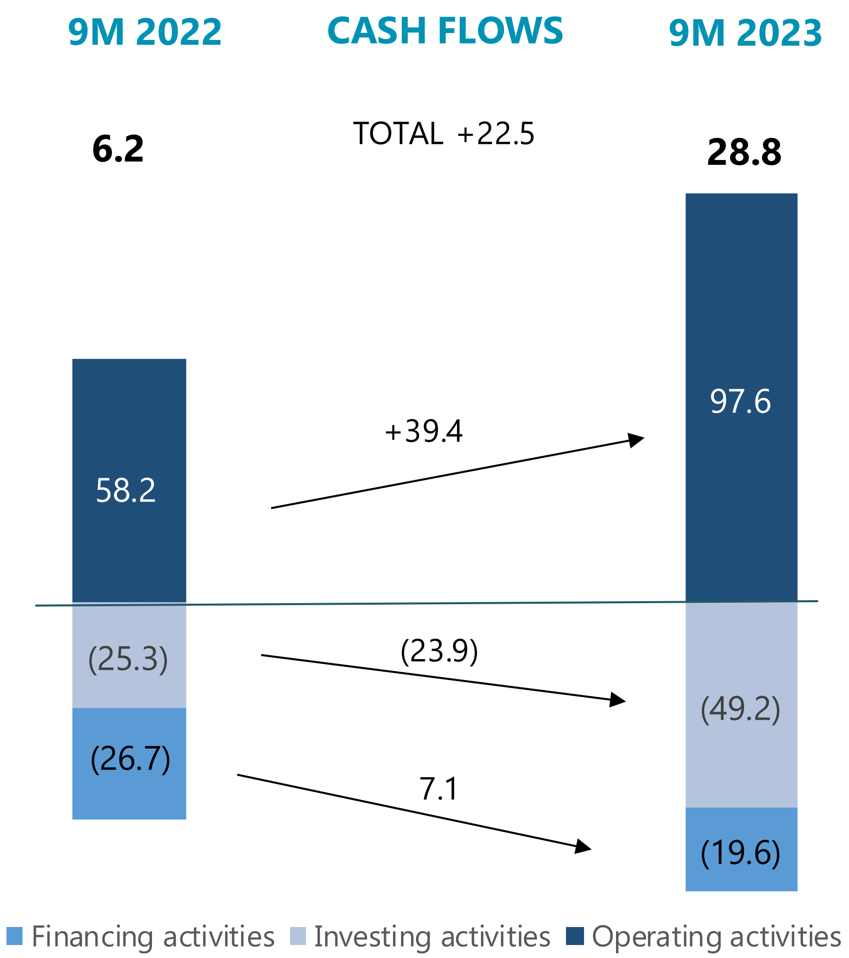
RECLASSIFIED STATEMENT OF CHANGES IN NET FINANCIAL INDEBTEDNESS

The reclassified statement of changes in net financial indebtedness for the first nine months 2023, compared with the first nine months 2022, is given below.

(€'000)	**9M 2022**	**9M 2023**
A) Opening net financial indebtedness	**(462,024)**	**(489,049)**
Gross operating profit	108,344	121,879
Net gains on sale of non-current assets	(239)	(295)
Change in net working capital	(46,984)	7,518
Other operating items	14,489	(1,527)
Derivatives	1,140	(643)
Taxes	(18,523)	(29,343)
B) Net cash flows from operating activities	**58,227**	**97,590**
Capex	(25,329)	(49,223)
Acquisition of Anacork's business (Labrenta) (cash acquired)	-	22
C) Cash flows used in investing activities	**(25,329)**	**(49,201)**
Increases in right-of-use assets	(6,511)	(5,853)
Transaction costs not yet paid/(paid) on Bond issued in 2021	(486)	-
Net interest expense	(13,928)	(15,718)
Dividends paid	(2,744)	(7,683)
Change in financial liabilities for put options	4,219	2,810
M&A Anacork (Labrenta) - Acquisition of initial indebtedness	-	(292)
M&A Labrenta - Lower indebtedness vs previous shareholders	-	6,263
Other financial items	(1,624)	1,185
Effect of exchange fluctuation	(4,576)	(307)
D) Change in net financial indebtedness due to financing activities	**(26,651)**	**(19,594)**
E) Total change in net financial indebtedness (B+C+D)	**6,247**	**28,795**
F) Closing net financial indebtedness (A+E)	**(455,777)**	**(460,254)**

Reference should be made to Annex C) Reconciliation between the change in net financial indebtedness and the change in cash and cash equivalents for the reconciliation between the above reclassified statement of changes in net financial indebtedness and the statement of cash flows included in these condensed interim consolidated financial statements.

The following chart gives a breakdown of the change in net financial indebtedness, detailing the various items in the nine months of 2023, compared to the nine months of 2022:



Net cash flows from operating activities

Net cash flows from operating activities are equal to €97.6 million, up €39.4 million on the nine months of 2022 (€58.2 million) manly due to the increase in the gross operating profit (EBITDA) (€13.5 million), the positive difference in change in net working capital (+€54.5 million compared to nine months of 2022), partially offset by the decrease in other operating items (€16.0 million) and higher cash out for taxes (€10.8 million).

Cash flows used in investing activities

Cash flows used in investing activities were €49.2 million, up €23.9 million on the nine months of 2022 (€25.3 million), mainly due to higher growth investments made in the nine months of 2023 for the new site in UK, the capacity expansion in Mexico and the new plant in China.

Change in net financial indebtedness due to financing activities

The change in net financial indebtedness due to financing activities in the nine months of 2023 amounted to €19.6 million, down €7.1 million on the nine months of 2022 (€26.7 million).

Such decrease refers to the reduction in indebtedness versus previous shareholder of Labrenta following the settlement agreement signed on June 29, 2023 (€6.3 million) and a positive effect of exchange fluctuation (€4.3 million), partially offset by the following main negative effects:

- change in fair value on non-controlling investors' put options (€1.4 million);
- higher dividends paid to minorities (€4.9 million);
- higher net interest expenses (€1.8 million).

Current trading and outlook

In the 9 months 2023, notwithstanding unfavourable market conditions, we were able to show resilience and protect our Top Line, gaining market share and share of wallets in certain geographies, overall almost neutralising the negative impacts of the "system destocking" and lower market demand.

With regard to profitability, we substantially improved the Adj EBITDA delivery, both in absolute value and as percentage on Net Revenue, thanks to a combination of factors: better Sales Mix/higher Average Selling Prices (mainly due to premiumisation initiatives), Operational Improvements and Overheads Control.

Looking ahead, we currently foresee that the soft market conditions will continue until the beginning of 2024, after which we expect a gradual recovery.
We will continue to focus on business development, on the expansion of our luxury segment and also on the full integration of Fengyi, to exploit the high potential Chinese market.

Alternative performance indicators - Guala Closures Group

In addition to the financial performance indicators required by IFRS, this report includes some alternative performance indicators (gross operating profit (loss), adjusted gross operating profit (loss), operating profit (loss), adjusted operating profit (loss), net financial indebtedness) which, although not required by IFRS, are based on IFRS values.
Management has presented the performance of gross operating profit, adjusted gross operating profit, operating profit and adjusted operating profit because it monitors them at a consolidated level and it believes that these measures are relevant to an understanding of the group's financial performance and should not be considered as substitutes of IFRS indicators.

Gross operating profit (EBITDA) is calculated by adjusting the profit (loss) for the period to exclude the impact of taxation, net financial expense and amortisation/depreciation.

Adjusted gross operating profit (adjusted EBITDA) is calculated by adjusting the profit (loss) for the period to exclude the effect of taxation, net financial expense, amortisation/depreciation and the effects of other costs, such as expense related to reorganisation costs, change in inventory valuation policy, non-recurring grants, costs relating to management incentive plan, expenses on mergers and acquisitions activities (M&A), losses due to war, impairment losses and losses on equity investments.

Operating profit is calculated by adjusting the profit (loss) for the period to exclude the impact of taxation and net financial expense.

Adjusted operating profit (adjusted EBIT) is calculated by adjusting the profit (loss) for the period to exclude the effect of taxation, net financial expense and the effects of other costs, such as expense related to reorganisation costs, non-recurring grants, costs relating to management incentive plan, expenses on mergers and acquisitions activities (M&A), losses due to war, impairment losses and losses on equity investments.

The **gross operating profit**, the adjusted gross operating profit and the adjusted operating profit are not defined performance measures in the IFRS. The group's definition of adjusted gross operating profit and adjusted operating profit may not be comparable with similarly titled performance measures and disclosures by other entities. The table below gives a summary of the gross operating profit.

The **Group L4L** means the Group like-for-like, i.e. figures as at 2022 constant perimeter.

Adjusted gross operating profit

	9M	
(€'000)	**2022**	**2023**
Profit for the period	43,327	37,889
Income taxes	14,222	25,230
Profit before tax	**57,549**	**63,119**
Net financial expense	11,392	22,106
Amortisation and depreciation	39,403	36,655
Gross operating profit	**108,344**	**121,879**
Adjustments:		
Reorganisation costs	4,537	4,811
Merger and acquisition expenses	1,649	3,809
MIP	-	6,020
Change in equity-accounted investments	209	-
Losses due to war	1,230	-
Non-recurring grants	(1,274)	-
Impairment losses	6,345	490
Adjusted gross operating profit	**121,039**	**137,010**

Adjusted operating profit

	9M	
(€'000)	**2022**	**2023**
Profit for the period	43,327	37,889
Income taxes	14,222	25,230
Profit before tax	**57,549**	**63,119**
Net financial expense	11,392	22,106
Operating profit	**68,941**	**85,225**
Adjustments:		
Reorganisation costs	4,537	4,811
Merger and acquisition expenses	1,649	3,809
MIP	-	6,020
Change in equity-accounted investments	209	-
Losses due to war	1,230	-
Non-recurring grants	(1,274)	-
Impairment losses	6,345	490
Adjusted operating profit	**81,637**	**100,355**

The adjustments reported in the tables above are mainly referred to:

- Reorganisation costs mainly refer the settlement with a senior manager (€4.0 million including the transaction, salary and related costs for the nine months 2023) and to other reorganization costs in Italy, UK and Chile
- Merger and acquisition expenses include due diligence and consultant costs related to various projects
- MIP mainly refer to Management Incentive Plan accrual

These indicators are shown in order to provide a better understanding of the group's financial performance and should not be considered as substitutes of IFRS indicators.

Net financial indebtedness consists of financial liabilities minus cash and cash equivalents and financial assets as reconciled in Annex B) to this report "Reconciliation between the tables included in the directors' report and the condensed interim consolidated financial statements". This indicator is shown in order to provide a better understanding of the group's financial position and should not be considered as a substitute for IFRS indicators.

Annexes to the directors' report

Annex A)

Reconciliation between the tables included in the directors' report with the condensed interim consolidated financial statements – financial income and expense

Annex B)

Reconciliation between the tables included in the directors' report with the condensed interim consolidated financial statements – statement of financial position

Annex C)

Reconciliation between the tables included in the directors' report with the condensed interim consolidated financial statements – change in net financial indebtedness and the change in cash and cash equivalents

Annex A)

Reconciliation between the tables included in the directors' report with the condensed interim consolidated financial statements – financial income and expense

(€'000)

Classification in reclassified financial income and expense	9M 2022	9M 2023	Classification in the notes to the condensed interim consolidated financial statements (notes 14-15)
Net exchange losses	14,448	10,133	Exchange gains
Net exchange losses	(12,731)	(19,331)	Exchange losses
Net fair value gains on financial liabilities to non-controlling investors	819	2,810	Financial income on financial liabilities to non-controlling investors
Net interest expense	285	789	Interest income
Net other financial expense	3,400	2,994	Other financial income
Net interest expense	(14,677)	(15,076)	Interest expense
Other net financial expense	(2,935)	(4,425)	Other financial expense
Total net financial expense	**(11,392)**	**(22,106)**	

Annex B)

Reconciliation between the tables included in the directors' report with the condensed interim consolidated financial statements – statement of financial position

Classification in the reclassified statement of financial position	December 31, 2022	September 30, 2023	Classification in the condensed interim consolidated financial statements
Net working capital	139,583	129,872	Trade receivables
Net working capital	157,192	142,941	Inventories
Net working capital	(115,511)	(95,721)	Trade payables
Total net working capital	**181,264**	**177,092**	
Net derivative liabilities	(976)	(530)	Derivative liabilities
Net derivative assets/(liabilities)	**(976)**	**(530)**	
Other net liabilities	11,031	12,033	Current direct tax assets
Other net liabilities	11,120	8,955	Current indirect tax assets
Other net liabilities	10,174	12,700	Other current assets
Other net liabilities	61	31	Contract costs
Other net liabilities	51,929	53,589	Deferred tax assets
Other net liabilities	6,799	2,020	Other non-current assets
Other net liabilities	(15,825)	(13,436)	Current direct tax liabilities
Other net liabilities	(11,878)	(10,528)	Current indirect tax liabilities
Other net liabilities	(6,070)	(3,523)	Current provisions
Other net liabilities	(1,620)	(861)	Contract liabilities
Other net liabilities	(41,091)	(45,126)	Other current liabilities
Other net liabilities	(88,838)	(87,828)	Deferred tax liabilities
Other net liabilities	(2,079)	(1,640)	Non-current provisions
Other net liabilities	(21)	(7,066)	Other non-current liabilities
Total net other liabilities	**(76,309)**	**(80,679)**	
Net financial liabilities	(551)	(287)	Current financial assets
Net financial liabilities	(2,193)	(2,762)	Non-current financial assets
Net financial liabilities	4,946	18,308	Current financial liabilities
Financial liabilities - Lease	4,688	4,945	Current financial liabilities
Net financial liabilities	513,812	495,514	Non-current financial liabilities
Non controlling investors' put option	35,260	32,450	Non-current financial liabilities
Financial liabilities - Lease	12,566	16,957	Non-current financial liabilities
Cash and cash equivalents	(79,478)	(104,870)	Cash and cash equivalents
Total net financial indebtedness	**489,049**	**460,254**	

Annex C)

Reconciliation between the tables included in the directors' report with the condensed interim consolidated financial statements – change in net financial indebtedness towards change in cash and cash equivalents

(€'000)

	September 30, 2022	September 30, 2023
Total change in net financial indebtedness	**6,247**	**28,795**
Increase in right-of-use assets	6,511	5,853
Proceeds from new borrowings and bonds	2,262	1,585
Repayment of borrowings and bonds	(5,686)	(2,962)
Repayment of finance leases	(3,940)	(5,178)
Translation effect on foreign currency assets and liabilities	341	235
Net fair value gains on non-controlling investors' put options	(819)	(2,810)
Change in liabilities for financial expense	6,155	6,150
Payment of transaction costs on bond issued in 2021	(918)	-
Change in indentedness vs Labrenta previous shareholder	-	(6,263)
Acquisition of initial indebtedness of Anacork (Labrenta)	-	292
Change in financial assets	(418)	(305)
Total change in financial assets and liabilities	**3,489**	**(3,403)**
Total change in cash and cash equivalents	**9,736**	**25,392**

Condensed interim consolidated financial statements at September 30, 2023

Statement of profit or loss

For the nine months ended September 30 (€'000)	2022	2023	Note
Net revenue	**651,408**	**645,307**	7
Change in finished goods and semi-finished products	18,397	(9,813)	
Other operating income	4,239	5,274	8
Internal work capitalised	3,562	5,041	9
Costs for raw materials	(320,256)	(277,863)	10
Costs for services	(117,500)	(112,299)	11
Personnel expense	(110,768)	(124,393)	12
Other operating expense	(10,511)	(6,620)	13
Impairment losses on trade receivables and contract assets	(3,609)	(2,264)	
Impairment losses	(6,410)	(490)	
Amortisation and depreciation	(39,403)	(36,655)	20-21-22
Financial income	18,951	16,726	14
Financial expense	(30,344)	(38,832)	15
Share of loss of equity-accounted investees, net of the tax effect	(209)	-	
Profit before taxation	**57,549**	**63,119**	
Income taxes	(14,222)	(25,230)	16
Profit for the period	**43,327**	**37,889**	
Attributable to:			
- the owners of the parent	33,632	29,954	
- non-controlling interests	9,695	7,934	

Statement of profit or loss and other comprehensive income

For the nine months ended September 30 (€'000)	2022	2023
Profit for the period	**43,327**	**37,889**
Other comprehensive income (expense):		
Actuarial gains on defined benefit plans	509	19
Taxes on items that will not be reclassified to profit or loss	(150)	-
Items that will not be reclassified to profit or loss:	*359*	*19*
Foreign currency translation differences for foreign operations	4,224	11,764
Hedging reserve	-	(215)
Hedging reserve for cash flow hedges reclassified to profit or loss	(68)	-
Tax on items that will or may be reclassified subsequently to profit or loss	20	64
Items that will or may be reclassified subsequently to profit or loss:	**4,176**	**11,613**
Other comprehensive income for the period, net of tax	**4,535**	**11,632**
Comprehensive income for the period	**47,862**	**49,520**
Attributable to:		
- the owners of the parent	41,046	41,080
- non-controlling interests	6,816	8,440

The notes on pages 52 to 92 are an integral part of these condensed interim consolidated financial statements.

Statement of profit or loss

For the three months ended September 30 (€'000)	2022	2023	Note
Net revenue	**243,162**	**204,639**	7
Change in finished goods and semi-finished products	1,331	(18,611)	
Other operating income	410	3,009	8
Internal work capitalised	1,549	1,372	9
Costs for raw materials	(118,299)	(75,751)	10
Costs for services	(41,641)	(33,337)	11
Personnel expense	(37,264)	(38,502)	12
Other operating expense	(5,258)	(1,817)	13
Impairment losses on trade receivables and contract assets	(3,250)	(1,916)	
Impairment losses	(801)	(279)	20-21-22
Amortisation and depreciation	(12,663)	(10,710)	20-21-22
Financial income	7,407	7,845	14
Financial expense	(12,431)	(9,034)	15
Share of loss of equity-accounted investees, net of the tax effect	(88)	-	
Profit before taxation	**22,161**	**26,908**	
Income taxes	(6,762)	(8,791)	16
Profit/(loss) for the period	**15,400**	**18,117**	
Attributable to:			
- the owners of the parent	10,386	16,276	
- non-controlling interests	5,013	1,841	

Statement of profit or loss and other comprehensive income

For the three months ended September 30 (€'000)	2022	2023
Profit/(loss) for the period	**15,400**	**18,117**
Other comprehensive income (expense):		
Actuarial gains on defined benefit plans	-	-
Taxes on items that will not be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss:	**-**	**-**
Foreign currency translation differences for foreign operations	(4,784)	72
Hedging reserve	-	1,603
Hedging reserve for cash flow hedges reclassified to profit or loss	-	122
Tax on items that will or may be reclassified subsequently to profit or loss	-	(555)
Items that will or may be reclassified subsequently to profit or loss:	**(4,784)**	**1,242**
Other comprehensive income for the period, net of tax	**(4,784)**	**1,242**
Comprehensive income for the period	**10,616**	**19,359**
Attributable to:		
- the owners of the parent	8,616	18,059
- non-controlling interests	2,000	1,300

The notes on pages 52 to 92 are an integral part of these condensed interim consolidated financial statements.

Statement of financial position – ASSETS

(€'000)	December 31, 2022	September 30, 2023	Note
ASSETS			
Current assets			
Cash and cash equivalents	79,478	104,870	17
Current financial assets	551	287	
Trade receivables	139,583	129,872	18
Inventories	157,192	142,941	19
Current direct tax assets	11,031	12,033	
Current indirect tax assets	11,120	8,955	
Other current assets	10,174	12,700	
Total current assets	**409,130**	**411,658**	
Non-current assets			
Non-current financial assets	2,193	2,762	
Property, plant and equipment	220,968	248,520	20
Right-of-use assets	20,607	19,945	21
Intangible assets	850,451	844,216	22
Contract costs	61	31	
Deferred tax assets	51,929	53,589	
Other non-current assets	6,799	2,020	
Total non-current assets	**1,153,007**	**1,171,083**	
TOTAL ASSETS	**1,562,137**	**1,582,741**	

The notes on pages 52 to 92 are an integral part of these condensed interim consolidated financial statements.

Statement of financial position - LIABILITIES

(€'000)	December 31, 2022	September 30, 2023	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	9,634	23,253	23
Trade payables	115,511	95,721	24
Contract liabilities	1,620	861	
Current direct tax liabilities	15,825	13,436	
Current indirect tax liabilities	11,878	10,528	
Current provisions	6,070	3,523	25
Derivative liabilities	976	530	
Other current liabilities	41,091	45,126	26
Total current liabilities	**202,605**	**192,977**	
Non-current liabilities			
Non-current financial liabilities	561,638	544,920	23
Employee benefits	8,055	8,373	
Deferred tax liabilities	88,838	87,828	
Non-current provisions	2,079	1,640	25
Other non-current liabilities	21	7,066	
Total non-current liabilities	**660,631**	**649,827**	
Total liabilities	**863,236**	**842,804**	
Share capital and reserves attributable to non-controlling interests	33,252	38,454	
Profit for the period attributable to non-controlling interests	13,204	7,934	
Equity attributable to non-controlling interests	**46,457**	**46,388**	**28**
Share capital	68,907	68,907	
Share premium reserve	423,837	423,837	
Legal reserve	2,310	13,781	
Translation reserve	(20,348)	(9,089)	
Hedging reserve	-	(152)	
Retained earnings and other reserves	122,543	166,311	
Profit / (loss) for the period	55,196	29,954	
Equity attributable to the owners of the parent	**652,445**	**693,549**	**27**
Total equity	**698,901**	**739,937**	
TOTAL LIABILITIES AND EQUITY	**1,562,137**	**1,582,741**	

The notes on pages 52 to 92 are an integral part of these condensed interim consolidated financial statements.

Statement of cash flows

(€'000)	Nine months 2022	Nine months 2023	Note
Opening cash and cash equivalents	**80,032**	**79,478**	
A) Cash flows from operating activities			
Profit before taxation	57,549	63,119	
Adjustments:			
Amortisation and depreciation	39,403	36,655	20-21-22
Financial income	(18,951)	(16,726)	
Financial expense	30,344	38,832	
Impairment losses on fixed assets	6,410	490	
Share of loss of equity-accounted investees, net of the tax effect	209	-	
Net gains on sale of non-current assets	(239)	(295)	
Variation:			
Receivables	(32,175)	10,192	18
Payables	21,592	(20,436)	24
Inventories	(39,219)	15,917	19
Impairment losses on receivables	2,817	1,844	
Other operating items	7,871	(2,017)	
Derivates	1,140	(643)	
VAT and indirect tax assets/liabilities	(12)	1,438	
Income taxes paid	(18,511)	(30,781)	
Net cash flows from operating activities	**58,227**	**97,590**	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(26,133)	(50,056)	20-21-22
Proceeds from sale of property, plant and equipment and intangible assets	804	833	20-21-22
Acquisition of Anacork (Labrenta - cash acquired)	-	22	
Net cash flows used in investing activities	**(25,329)**	**(49,201)**	
C) Cash flows from financing activities			
Interest received	558	889	
Interest paid	(11,872)	(13,089)	
Transaction costs paid for bonds issued in 2021	(918)	-	
Other financial items	96	3,817	
Dividends paid	(2,744)	(7,683)	
Sponsor warrants buyback	(1,000)	-	
Proceeds from new borrowings and bonds	2,262	1,585	23
Repayment of borrowings and bonds	(5,686)	(2,962)	23
Repayment of leases	(3,940)	(5,178)	
Change in financial assets	(417)	(305)	
Net cash flows used in financing activities	**(23,661)**	**(22,925)**	
Net cash flows of the period	**9,237**	**25,464**	
Effect of exchange fluctuations on cash held	499	(72)	
Closing cash and cash equivalents	**89,768**	**104,870**	**17**

The notes on pages 52 to 92 are an integral part of these condensed interim consolidated financial statements.

Statement of changes in equity

(€'000)	January 1, 2022	Allocation of 2021 result	Reserve reclassification	Profit for the period	Other comprehensive income	Comprehensive income for the period	Dividends	Acquisition of NCI	Total transactions with owners	September 30, 2022
	A)	B)	C)			D)			E)	A)+B)+C)+D)+E)
Attributable to the owners of the parent:										
Share capital	68,907					**-**			**-**	**68,907**
Share premium reserve	423,837					**-**			**-**	**423,837**
Legal reserve	1,824	487				**-**			**-**	**2,310**
Translation reserve	(11,764)				7,103	**7,103**			**-**	**(4,661)**
Hedging reserve	48				(48)	**(48)**			**-**	**0**
Retained earnings and other reserves	108,826	(1,269)			359	**359**		-	**(1,000)**	**106,916**
Profit (loss) for the period	(782)	782		33,632		**33,632**			**-**	**33,632**
Equity	**590,894**	-	-	**33,632**	**7,414**	**41,046**	**-**	**-**	**(1,000)**	**630,940**
Non-controlling interests:										
Share capital and reserves	33,209	8,776		-	(2,880)	**(2,880)**	(4,555)	-	**(4,555)**	**34,551**
Profit for the period	8,776	(8,776)		9,695		**9,695**			**-**	**9,695**
Equity	**41,985**	**-**	**-**	**9,695**	**(2,880)**	**6,816**	**(4,555)**	**-**	**(4,555)**	**44,246**
Total equity	**632,880**	**-**	**-**	**43,327**	**4,534**	**47,861**	**(4,555)**	**-**	**(5,555)**	**675,186**

(€'000)	January 1, 2023	Allocation of 2022 result	Reserve reclassification	Profit for the period	Other comprehensive income	Comprehensive income for the period	Dividends	Acquisition of NCI	Total transactions with owners	September 30, 2023
	A)	B)	C)			D)			E)	A)+B)+C)+D)+E)
Attributable to the owners of the parent:										
Share capital	68,907					**-**			**-**	**68,907**
Share premium reserve	423,837					**-**			**-**	**423,837**
Legal reserve	2,310	1,592	9,879			**-**			**-**	**13,781**
Translation reserve	(20,348)				11,258	**11,258**			**-**	**(9,089)**
Hedging reserve	-				(152)	**(152)**			**-**	**(152)**
Retained earnings and other reserves	122,543	53,604	(9,879)		19	**19**		25	**25**	**166,311**
Profit for the period	55,196	(55,196)		29,954		**29,954**			**-**	**29,954**
Equity	**652,445**	-	-	**29,954**	**11,126**	**41,080**	**-**	**25**	**25**	**693,549**
Non-controlling interests:										
Share capital and reserves	33,252	13,204			506	**506**	(8,484)	(25)	**(8,509)**	**38,454**
Profit for the period	13,204	(13,204)		7,934		**7,934**	-		**-**	**7,934**
Equity	**46,457**	**-**	**-**	**7,934**	**506**	**8,440**	**(8,484)**	**(25)**	**(8,509)**	**46,388**
Total equity	**698,901**	**-**	**-**	**37,889**	**11,632**	**49,520**	**(8,484)**	**-**	**(8,484)**	**739,937**

The notes on pages 52 to 92 are an integral part of these condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements at September 30, 2023

General information

(1) General information

Guala Closures S.p.A. is a company limited by shares set up under Italian law and registered with the Alessandria company registrar. Its registered office is in via Rana 12, zona industriale D6, Spinetta Marengo (Alessandria). Guala Closures S.p.A. is directly owned by Special Packaging Solution Investments S.à r.l. ("SPSI"), and its ultimate parent company is Investindustrial S.A..

The Guala Closures Group's (the "group") main activities involve the design and manufacturing of closures for spirits, wine and non-alcoholic beverages such as water, olive oil and vinegar to be sold mainly on international markets. The group is also active in the production of PET plastic preforms and bottles.

Group's activities are separated into two divisions:

- the Closures division, representing group's core business, specialised in the production of safety closures, luxury closures, roll-on and other closures;

- the PET division, which produces PET bottles and miniatures. This division is no longer considered a core business.

Currently, the group is the European and international leader in the production of safety closures for spirits bottles, with over 60 years' experience in the sector. It is also the leading European producer of aluminium closures for spirits bottles.

(2) Accounting policies

These condensed interim consolidated financial statements at September 30, 2023 have been prepared in accordance with IAS 34 - Interim Financial Reporting endorsed by the European Union.
Except for that set out in section 3 “Changes to standards”, the accounting policies applied to prepare the condensed interim consolidated financial statements by all the group companies are the same as those applied to prepare the consolidated financial statements of the Guala Closures Group at December 31, 2022, to which reference should be made.

These condensed interim consolidated financial statements have been prepared in Euros, rounding the amounts to the nearest thousand. Any discrepancies between the condensed interim consolidated financial statements balances and those in the tables of these notes are due exclusively to the rounding and do not alter their reliability or substance.
Figures are shown in thousands of Euros, unless otherwise stated.
9M means the first nine months of the year from January 1 to September 30. Q3 means the three months of the year from July 1 to September 30.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for derivatives, market warrants, contingent consideration arising in a business combination (i.e., the non-controlling investors' put options), liability relating to a management incentive plan cash settled under IFRS 2, which are measured at fair value, investments in associates which are measured using the equity method and accounting for business combinations. They have been prepared on a going concern basis. There are no business risks and/or any identified uncertainties which may cast doubts on the parent company Guala Closures S.p.A. and, consequently, of the group’s ability to continue as a going concern.

The condensed interim consolidated financial statements comprise the following schedules:

- statement of profit or loss, whose captions are classified by nature;
- statement of profit or loss and other comprehensive income;
- statement of financial position, whose asset and liability captions are classified as current or non-current;
- statement of cash flows, prepared using the indirect method;
- the statement of changes in equity, prepared to present changes in equity.

In preparing the condensed interim consolidated financial statements in accordance with IFRS, management has made estimates and assumptions that affect the carrying amount of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. Actual results may differ from these estimates. Main estimates are used to recognise the loss allowance, the allowance for inventory write-down, current assets and liabilities classified as held for sale, depreciation/amortisation and impairment losses on non-current assets, employee benefits and share based payments incentive plans, taxes, provisions, measurement of derivatives, market warrants and measurement of the effects of business combinations, including put options on minorities interests.

In accordance with IAS 34 - Interim Financial Reporting, the interim measurement of the figures of the condensed interim consolidated financial statements may rely on a greater use on estimation methods than annual consolidated financial statements. The measurement procedures carried out to this end ensure the reliability of the information provided and that all material financial information necessary to understand the group’s financial position and financial performance is provided.

List of investments in subsidiaries and associates at September 30, 2023

	Registered office	Currency	Share/quota capital	Investment percentage	Type of investment	Method of consolidation
EUROPE						
Labrenta S.r.l.	Italy	EUR	500,000	100%	Direct	Line-by-line
Anacorks Unipessoal Lda	Portugal	EUR	37,000	100%	Indirect (*)	Line-by-line
Guala Closures International B.V.	The Netherlands	EUR	92,000	100%	Direct	Line-by-line
GCL International Sarl	Luxembourg	EUR	15,140,700	100%	Indirect (*)	Line-by-line
SharpEnd Partnership Ltd.	United Kindom	GBP	1,519	30%	Indirect	Equity
Guala Closures UK Ltd.	United Kindom	GBP	134,000	100%	Indirect (*)	Line-by-line
Guala Closures UCP Ltd.	United Kindom	GBP	3,509,000	100%	Indirect (*)	Line-by-line
Guala Closures Iberica, S.A.	Spain	EUR	9,879,977	100%	Indirect (*)	Line-by-line
Guala Closures France SAS	France	EUR	2,748,000	100%	Indirect (*)	Line-by-line
Guala Closures Technologia Ukraine LLC	Ukraine	UAH	90,000,000	70%	Indirect (*)	Line-by-line
Guala Closures Bulgaria AD	Bulgaria	BGN	6,252,120	70%	Indirect (*)	Line-by-line
Guala Closures DGS Poland S.A.	Poland	PLN	595,000	70%	Indirect (*)	Line-by-line
Guala Closures BY LLC	Belarus	BYN	1,158,800	70%	Indirect (*)	Line-by-line
Guala Closures Deutschland GmbH	Germany	EUR	500,000	100%	Indirect (*)	Line-by-line
Guala Closures Turkey Ambalaj ve Kapak Sistemleri Sanayi ve Ticaret Anonim Şirketi	Turkey	TRY	11,000,000	100%	Indirect (*)	Line-by-line
ASIA						
Guala Closures India pvt Ltd.	India	INR	170,000,000	95%	Indirect (*)	Line-by-line
Beijing Guala Closures Co. Ltd.	China	CNY	20,278,800	100%	Indirect (*)	Line-by-line
Guala Closures (Chengdu) Co. Ltd.	China	CNY	-	100%	Indirect (*)	Line-by-line
LATIN AMERICA and NORTH AMERICA						
Guala Closures Mexico, S.A. de C.V.	Mexico	MXN	94,630,010	100%	Indirect (*)	Line-by-line
Labrenta S.A. de C.V.	Mexico	MXN	3,791,970	100%	Indirect (*)	Line-by-line
Guala Closures Argentina S.A. (**)	Argentina	ARS	498,960,489	100%	Indirect (*)	Line-by-line
Guala Closures do Brasil LTDA	Brazil	BRL	10,736,290	100%	Indirect (*)	Line-by-line
Labrenta South America Embalagens LTDA	Brazil	BRL	294,106	0%	Indirect (*)	Line-by-line
Guala Closures de Colombia LTDA	Colombia	COP	8,691,219,554	93.2%	Indirect (*)	Line-by-line
Guala Closures Chile SpA	Chile	CLP	6,504,935,369	100%	Indirect (*)	Line-by-line
Guala Closures North America, Inc.	United States	USD	60,000	100%	Indirect (*)	Line-by-line
Labrenta Inc.	United States	USD	10,000	100%	Indirect (*)	Line-by-line
OCEANIA						
Guala Closures New Zealand Ltd.	New Zealand	NZD	5,700,000	100%	Indirect (*)	Line-by-line
Guala Closures Australia Holdings Pty Ltd.	Australia	AUD	34,450,501	100%	Indirect (*)	Line-by-line
Guala Closures Australia Pty Ltd.	Australia	AUD	810	100%	Indirect (*)	Line-by-line
AFRICA						
Guala Closures South Africa Pty Ltd.	South Africa	ZAR	60,000,000	100%	Indirect (*)	Line-by-line
Guala Closures East Africa Pty Ltd.	Kenya	KES	30,300,000	100%	Indirect (*)	Line-by-line

The following exchange rates are applied to translate those financial statements presented in currencies that are different from Euro that is the reporting currency:

	Average exchange rates		Spot exchange rates	
€1 = x foreign currency	**9M 2022**	**9M 2023**	**December 31, 2022**	**September 30, 2023**
Pound sterling	0.84692	0.87097	0.8869	0.86458
US dollar	1.06500	1.08352	1.0666	1.05940
Indian rupee	82.33104	89.24373	88.1710	88.01650
Mexican peso	21.57849	19.29272	20.8560	18.50300
Colombian peso	4,326.68333	4,775.91667	5,172.4700	4,312.39000
Brazilian real	5.46768	5.42550	5.6386	5.30650
Chinese renmimbi	7.02104	7.62146	7.3582	7.73520
Argentine peso	143.37640	370.81490	188.5033	370.81490
Polish zloty	4.67001	4.58409	4.6808	4.62830
New Zealand dollar	1.64709	1.75460	1.6798	1.75750
Australian dollar	1.50521	1.62029	1.5693	1.63390
Ukrainian hryvnia	32.86028	39.62026	39.0370	38.74080
Bulgarian lev	1.95580	1.95580	1.9558	1.95580
South African rand	16.9510	19.8818	18.0986	19.9813
Japanese yen	135.9321	149.5790	140.6600	158.1000
Chilean peso	912.8389	889.7956	913.8200	959.8000
Kenyan shilling	123.9894	147.2547	131.6060	156.9780
Turkish lira	18.0841	29.0514	19.9649	29.0514

(3) Changes to standards

The new standards and/or amendments thereto applicable to annual reporting periods beginning on or after January 1, 2023 are set out below.

- Amendments to IAS 12 - 'Income Taxes' Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 6 May 2021)

  The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

  The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

  • right-of-use assets and lease liabilities, and

  • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

  The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

  IAS 12 did not previously address how to account for the tax effects of on- balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

- IFRS 17 - Insurance contracts and Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 – Comparative Information

  The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

  An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short-duration contracts, which are often written by non-life insurers.

  There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

  The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

  Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to January 1, 2023.

  Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS

17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis.

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

  The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

- Definition of Accounting Estimates – Amendments to IAS 8

  The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The new standards and amendments have not any significant impacts on the consolidated financial statements.

In addition, the following list includes the recent changes to the standards or amendments that are required to be applied for an annual period beginning after January 1, 2024 and that are available for early adoption in annual periods beginning on January 1, 2023:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Accounting of Lease liability in sale and leaseback (Amendments to IFRS 16)

These new documents, having a deferred date of entry into force, were not adopted for the preparation of these condensed interim consolidated financial statements, but will be applied starting from the date of entry into force established as mandatory.

(4) Operating segments

The following information about operating segments have been determined and reported having reference to the quantitative and qualitative requirements of IFRS 8.

The group has only one reportable segment, the Closures division which represents the Group's core business. The group's top management (who are accountable for operating decisions) reviews internal management reports on a monthly basis.
Other operations consist of the PET division which did not meet any of the quantitative thresholds for determining reportable segments under IFRS 8 in 2022 and it will be dismissed in 2023.

Information regarding the results of the group's reportable segment is included below, together with the mandatory information of IFRS 8. Performance is measured based on segment revenue, profit (loss) before taxation, amortisation and depreciation, trade receivables, inventories, trade payables, property, plant and equipment, right-of-use assets and capital expenditure as included in the internal management reports that are reviewed by the CEO and by the board of directors.

Management considers the above information as the most suitable to evaluate the results of the segment compared to other entities that operate in these industries.

Other asset and liability figures cannot be reported by segment as management believes that the availability of such information by segment is not material.

(€'000)	**Closures**		**Other operations**		**Total**	
	9M 2022	**9M 2023**	**9M 2022**	**9M 2023**	**9M 2022**	**9M 2023**
Net revenue	648,404	643,622	3,004	1,685	651,408	645,307
Amortisation and depreciation	(39,277)	(36,655)	(126)	-	(39,403)	(36,655)
Financial income	18,951	16,726	-	-	18,951	16,726
Financial expense	(30,344)	(38,832)	-	-	(30,344)	(38,832)
Share of loss of equity-accounted investees, net of the tax effect	(209)	-	-	-	(209)	-
Profit (loss) before taxation	57,621	63,038	(72)	80	57,549	63,119
Net capex (*)	25,329	49,223	-	-	25,329	49,223

(*) Acquisitions of property, plant and equipment and intangible assets net of proceeds from sale of property, plant and equipment and intangible assets

(€'000)	Closures		Other operations		Total	
	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023
Trade receivables	139,356	129,872	227	-	139,583	129,872
Inventories	156,621	142,875	572	66	157,192	142,941
Trade payables	(114,629)	(95,721)	(882)	-	(115,511)	(95,721)
Property, plant and equipment and Right of use assets	241,575	268,465	-	-	241,575	268,465

Reporting by geographical segment

The Closures segment operates from a network of production facilities on all five continents and the main countries in terms of third-party sales are Mexico, the United Kingdom, Italy, Poland, India, Spain, North America, Deutschland, Ukraine, Australia, Argentina, Brasil, France and South Africa.

In presenting information on the basis of geographical segments, revenue and assets are based on the geographical location of the operations/subsidiaries.

(€'000)	3Q 2022	3Q 2023	9M 2022	9M 2023
Mexico	30,849	30,000	73,888	98,933
United Kingdom	42,728	38,516	113,416	107,245
Italy	27,068	29,760	76,771	92,292
Poland	18,576	13,429	61,371	50,037
India	21,126	17,097	57,486	50,282
Spain	13,257	12,616	37,395	40,646
North America	13,611	9,688	36,421	34,046
Deutschland	12,917	11,324	36,323	33,130
Ukraine	11,526	6,579	23,708	22,822
Australia	7,602	5,261	19,589	16,714
Argentina	9,266	5,050	21,377	16,018
Brasil	5,662	4,050	13,004	14,340
France	4,224	3,877	14,230	13,836
South Africa	4,236	3,580	12,772	10,956
Other countries	20,513	13,811	53,656	44,011
Net revenue	**243,162**	**204,639**	**651,408**	**645,307**

	Non-current assets other than financial instruments and deferred tax assets: property, plant and equipment, rights of use assets and intangible assets		Deferred tax assets	
(€'000)	**December 31, 2022**	**September 30, 2023**	**December 31, 2022**	**September 30, 2023**
Italy	581,441	587,489	37,297	38,014
Australia	82,667	78,091	2,031	1,837
India	53,750	52,513	1,746	1,837
Mexico	43,642	52,393	439	85
Poland	48,758	48,546	-	-
Spain	38,368	40,010	75	253
UK	18,401	30,397	1,311	2,914
Ukraine	19,589	20,457	-	-
Brazil	10,937	11,617	1,951	-
South Africa	12,396	10,743	589	-
Germany	9,924	9,950	-	1,562
New Zealand	9,916	9,385	241	211
Kenya	7,701	6,616	255	535
Chile	8,463	7,601	1,595	1,519
China	6,308	8,590	509	131
France	7,338	7,022	0	0
Argentina	4,809	4,511	832	1,054
Other countries	76,118	93,097	1,301	1,108
Consolidation adjustmenst	51,501	33,653	1,757	2,525
Total	**1,092,026**	**1,112,681**	**51,929**	**53,589**

The group is not exposed to significant geographical risks other than normal business risks except for what highlighted in paragraph (6) Russia – Ukraine conflict.

Information about key customers

In the Closures segment, there is one customer that generated over 10% of revenue in the nine months of 2023: approx. €83 million (roughly 13% of net revenue).

(5) Acquisitions of subsidiaries, business units and non-controlling interests

On October 4, 2022, following the agreement reached on July 6, 2022, Guala Closures S.p.A. and Cortapedra S.r.l. signed the closing of the acquisition for the purchase of 100% of the quota capital of Labrenta Group, based in Breganze (VI), which operates in the production and sale of closures for the Luxury segment.

Labrenta Group included subsidiaries located in Brazil, Mexico (put on liquidation in November 2022), US and Portugal for a production capacity of approximately 180 million annual closures. Labrenta has around 140 employees and over 800 customers in more than 70 countries.

Consideration transferred

Total consideration agreed at the acquisition date was €49.4 million (€48.1 million net of €1.2 million of cash and cash equivalent acquired) representing the fair value of the acquisition cost.
The group incurred acquisition-related costs of approximately €1 million related to legal fees and due diligence costs. These costs have been mainly included in the legal/consultancy expenses of the group's statement of profit or loss and other comprehensive income in 2022 and 2023.

The following table summarises the acquisition-date fair value of each major class of consideration transferred after the agreement of June 29, 2023.

(€'000)	Amount as at 31 December 2022	Agreement 29 June 2023	Amount as at 30 September 2023	Note
Cash paid at acquisition date	14,564	-	**14,564**	
Amount reinvested by the former owner	15,000	-	**15,000**	Amount not paid in cash but through a capital injection made by the former owner of the relative credit in SPSI
Deferred price	15,000	(1,449)	**13,551**	Interest-bearing amount subject to possible price adjustment. To be paid in three instalments (2024,2025 and 2026)
First Earn-out	1,000	(1,000)	**-**	
Second Earn-out	1,937	(1,937)	**-**	
Third Earn-out	1,876	(1,876)	**-**	
Total Consideration	**49,377**	**(6,262)**	**43,115**	

Identifiable assets acquired and liabilities assumed

Recognized assets acquired and liabilities assumed at the acquisition date are summarized below:

(€'000)	**Amounts recognised at the acquisition date**
Property, plant and equipment	3,396
Intangible assets	1,271
Right-of-use assets	2,828
Financial assets	2,458
Inventories	3,299
Trade receivables	5,919
Trade payables	(2,905)
Other current assets	1,022
Other current liabilities	(3,668)
Employee severance indemnities	(544)
Provisions	(1,100)
Financial liabilities	(10,086)
Tax Receivables	759
Cash & Cash equivalents	1,240
Payable to shareholders	(150)
Net identifiable assets and liabilities	**3,738**

The trade receivables comprise gross contractual amounts due of about €1 million, of which €64 thousand was expected to be uncollectable at the date of acquisition.

Provisional Goodwill

Under IFRS 3, if the sum of the transferred consideration exceeds the fair value of the net assets acquired and liabilities assumed on the acquisition date, the excess amount shall be allocated to goodwill (for additional information, reference should be made to the section on "Goodwill").
The effects of the transaction have been recognised as of October 1, 2022, close to the date on which the former shareholders transferred control over the group (October 4, 2022).

Goodwill arising from the acquisition is recognised as:

(€'000)	**Amount as at 30 September 2022**
Consideration paid	43,115
Net identifiable assets and liabilities	(3,738)
Carve out existing goodwill	379
Initial difference to be allocated	**39,756**
Fair value adjustments	**17,769**
Patents	14,679
Machinery & equipment	1,558
Inventory	496
Contingent liabilities	(750)
Indemnification assets	1,786
Deferred tax liabilities	**(4,668)**
Residual goodwill	**26,655**

The residual goodwill is mainly related to the technical skills and knowledge of Labrenta' personnel.
The recognised goodwill will not be deductible for income tax purposes.

In this condensed consolidated interim financial statements, the proceeds deriving from the acquisition are still provisionally recognized under the item "Goodwill" for a value of €38.6 million, corresponding to the estimated initial difference between the consideration transferred for the purchase of Labrenta shares and the estimated value of the consolidated net assets of Labrenta.
The comparative figures as at December 31, 2022 will be restated to reflect the effects of the completion of the PPA procedure related to this business combinations occurred at October 1, 2022.

(6) Russia - Ukraine conflict

The group is continuously monitoring the current conflict. Due to the above situation, to improve logistics, among other things, GC Ukraine moved a small part of its production lines to a satellite plant located in the city of Ternopil, near the Polish border, where the company plans to employ around 100 people. The overall production capacity and product portfolio of GC Ukraine is not currently affected by such transfer.

GC Ukraine still has to comply with certain administrative restrictions on currency conversion transactions and payments abroad adopted by the National Bank of Ukraine and transactions with Russian and Belarussian-based companies are forbidden. These restrictions do not apply to aluminum importation. The current sanctions adopted by the EU and the USA against Russia are currently not significantly impacting our business.

At the date of these condensed interim consolidated financial statements, there have not been significant impacts with respect to what was reported in the 2022 consolidated financial statements.

Statement of profit or loss and other comprehensive income

(7) Net revenue

The table below shows a breakdown of net revenue by geographical area:

(€'000)	3Q		9M	
	2022	2023	2022	2023
Europe	132,849	117,320	372,720	364,763
Asia	23,062	17,804	62,555	55,660
Americas	67,817	55,430	166,707	181,103
Oceania	13,086	8,629	31,317	26,865
Africa	6,347	5,456	18,109	16,916
Total	**243,162**	**204,639**	**651,408**	**645,307**

The table below illustrates net revenue by product:

(€'000)	3Q		9M	
	2022*	2023	2022*	2023
Safety closures	93,621	73,794	243,051	225,870
Luxury closures	23,904	27,552	57,170	91,160
Roll-on closures	122,553	94,222	332,228	303,824
Other revenue	3,084	9,069	18,957	24,449
Total	**243,162**	**204,639**	**651,408**	**645,307**

(*) The comparative figures for the three months and nine months of 2022 were restated to be consistent with 2023 classification.

The table below illustrates net revenue by destination market:

(€'000)	3Q		9M	
	2022*	2023	2022*	2023
Spirits closures	166,782	138,939	423,547	434,048
Wine closures	41,227	29,083	115,452	100,943
Water closures	22,537	17,851	58,694	57,161
Non-alcoholic beverages closures	5,272	6,067	14,275	16,359
Olive oil & condiments closures	4,312	3,183	14,380	11,092
Closures for other markets	3,031	9,513	25,059	25,701
Total	**243,162**	**204,639**	**651,408**	**645,307**

(*) The comparative figures for the three months and nine months of 2022 were restated to be consistent with 2023 classification.

(8) Other operating income

This caption includes:

(€'000)	3Q		9M	
	2022	2023	2022	2023
Sundry recoveries/repayments	697	1,717	2,285	2,396
Government grants	(510)	95	1,191	362
Gains on sale of non-current assets	105	70	259	392
Other	118	1,127	503	2,124
Total	**410**	**3,009**	**4,239**	**5,274**

Sundry recoveries/repayments of €2.4 million in 9M 2023 are referred to the ones received by GC S.pA., GC Ukraine and GC Deutschland, of which €1.4 million insurance refund release related to the costs sustained as a consequence of the incident occurred in Magenta.

(9) Internal work capitalised

	3Q		9M	
	2022	2023	2022	2023
Internal work capitalised	1,549	1,372	3,562	5,041
Total	**1,549**	**1,372**	**3,562**	**5,041**

This caption increased by €1.5 million from €3.6 million in the nine months of 2022 (0.5% of net revenue) to €5.0 million in the nine months of 2023 (0.8%). Internal work capitalised includes capitalised development expenditure and internal personnel expense for extraordinary maintenance on property, plant and equipment.

(10) Costs for raw materials

This caption includes:

(€'000)	3Q		9M	
	2022	2023	2022	2023
Raw materials and supplies	117,055	65,760	315,019	248,826
Packaging	4,870	3,287	13,568	11,169
Consumables and maintenance	2,873	2,412	8,374	8,348
Fuels	142	137	440	457
Other purchases	1,196	1,262	4,168	3,929
Change in inventories	(7,837)	2,893	(21,313)	5,134
Total	**118,299**	**75,751**	**320,256**	**277,863**

Costs for raw materials in 9M 2023 decreased by €42.4 million from €320.3 million in 2022 to €277.9 million in 2023 and decreased in percentage of net revenue from 49.2% in the nine months of 2022 to 43.1% in 2023.

(11) Costs for services

This caption includes:

(€'000)	3Q		9M	
	2022	2023	2022	2023
Electricity / heating	13,129	8,987	37,248	29,718
Transport	11,533	7,956	32,064	26,748
External processing	3,854	3,266	8,693	11,317
Maintenance	2,473	2,493	7,026	8,053
Legal and consulting fees	1,396	2,331	5,821	7,886
Sundry industrial services	2,547	1,881	7,020	7,149
Travel	960	912	2,535	3,256
Insurance	1,133	854	2,929	3,113
Administrative services	744	756	2,328	2,368
Directors' fees	616	648	1,943	2,128
Technical assistance	432	694	1,988	1,997
Cleaning service	485	408	1,337	1,391
Commissions	347	353	1,010	1,304
External labour / porterage	652	423	1,571	1,278
Security	186	224	500	653
Advertising services	202	68	603	544
Telephone costs	188	185	532	534
Entertainment expenses	115	193	319	428
Commercial services	75	79	194	411
Expos and trade fairs	42	37	154	140
Other	533	588	1,683	1,880
Total	**41,641**	**33,337**	**117,500**	**112,299**

(12) Personnel expense

This caption includes:

(€'000)	3Q		9M	
	2022	2023	2022	2023
Wages and salaries	30,248	31,346	89,637	94,964
Social security contributions	4,008	4,674	12,835	14,114
Expense from defined benefit plans	470	456	1,378	1,469
Other costs	2,537	2,026	6,919	13,846
Total	**37,264**	**38,502**	**110,768**	**124,393**

Personnel expense increased by €13.6 million mainly due to MIP accrual (€6.0 million), to the change in perimeter of Labrenta (€4.9 million) and to the settlement with a senior manager for an amount (€3.1 million).

As at December 31, 2022 and September 30, 2023, the group had the following number of employees:

	December 31, 2022	September 30, 2023
Blue collars	3,679	3,629
White collars	984	992
Managers	377	373
Total	**5,040**	**4,994**

The Group has share-based long-term incentive plan for certain members of management and other key employees and talents. Group's share-based payment plans and arrangements are cash-settled and provide the contingent right to receive cash at the time of the exit of the current actual shareholder of the Group or in case of IPO based on capital gain (range granted to the managers is estimated from 2% to 7% of the capital gain based on the exit price), subject to the fulfilment of a five-year service vesting condition (each year provide a vesting of 1/5 of the plan) and if certain exit price will be reached. The plan is evaluated in accordance to IFRS 2 and relevant costs have been accrued from second half 2023 for an amount of €6.0 million as Other costs.

(13) Other operating expense

This caption includes:

(€'000)	3Q		9M	
	2022	**2023**	**2022**	**2023**
Accruals to provisions	3,256	(86)	4,657	319
Taxes and duties	890	806	2,110	2,215
Use of third-party assets	523	693	1,537	1,770
Other charges	588	404	2,206	2,317
Total	**5,258**	**1,817**	**10,511**	**6,620**

Short-term leases, i.e., with a term of less than 12 months, and leases for which the underlying asset is of low value, which have been excluded from the scope of IFRS 16 as per the practical expedient, are recognised in the caption "Use of third-party assets" on a straight-line basis over the lease term.

(14) Financial income

This caption includes:

(€'000)	3Q		9M	
	2022	**2023**	**2022**	**2023**
Exchange gains	8,032	3,498	14,448	10,133
Interest income	133	282	285	789
Financial income on financial liabilities to non-controlling investors	(2,100)	2,810	819	2,810
Other financial income	1,342	1,255	3,400	2,994
Total	**7,407**	**7,845**	**18,951**	**16,726**

The change in fair value of the financial liabilities to non-controlling investors, in the nine months of 2022 compared to December 31, 2021, generated a financial income of €0.8 million and the change in fair value of the financial liabilities in the nine months of 2023 compared to December 31, 2022 generated a financial income of €2.8 million.
The foreign exchange gains were mainly generated by companies that realize part of their transaction in Euro or USD against local currencies.

(15) Financial expense

This caption includes:

(€'000)	3Q		9M	
	2022	**2023**	**2022**	**2023**
Interest expense	4,920	5,034	14,677	15,076
Exchange losses	6,327	4,683	12,731	19,331
Financial expense on financial liabilities to non-controlling investors	-	(2,440)	-	-
Other financial expense	1,184	1,757	2,935	4,425
Total	**12,431**	**9,034**	**30,344**	**38,832**

Interest expense of €15.1 million mainly refers to the Guala Closures S.p.A. bond.

The foreign exchange losses were mainly generated by companies that realize part of their transaction in Euro or USD against local currencies.

Other financial expense in 9M 2023 is composed, for €1.0 million, by interest costs relating to IFRS 16 liabilities (€0.9 million in 9M 2022).

(16) Income taxes

This caption includes:

(€'000)	3Q		9M	
	2022	**2023**	**2022**	**2023**
Current taxes	(10,846)	(8,634)	(23,743)	(28,784)
Deferred taxes	4,084	(157)	9,521	3,554
Total	**(6,762)**	**(8,791)**	**(14,222)**	**(25,230)**

The changes in deferred tax assets recognised in profit or loss do not reflect the change in the corresponding captions of the statement of financial position due to the effect of transactions recognised directly in OCI.

Change in deferred tax liabilities recognised directly in OCI

(€'000)	first half	
	2022	**2023**
Change in deferred tax liabilities on fair value adjustments on cash flow hedges	20	64
Total	**20**	**64**

Statement of financial position

(17) Cash and cash equivalents

Cash and cash equivalents totalled €104,870 thousand as at September 30, 2023 (€79,478 thousand at December 31, 2022).

(18) Trade receivables

This caption may be analysed as follows:

(€'000)	**December 31, 2022**	**September 30, 2023**
Trade receivables	143,183	135,340
Loss allowance	(3,600)	(5,468)
Total	**139,583**	**129,872**

The balance of trade receivables reflects the use of without-recourse factoring by the group companies. Such impact at September 30, 2023 was €44.1 million, compared to €42.5 million at December 31, 2022. The increase of factoring compared to December 2022 is because we sold more to customers that use factoring.

The loss allowance changed as follows:

(€'000)	**September 30, 2023**
Opening balance	3,600
Exchange translation effect	24
Accruals	2,264
Utilisations/releases of the period	(420)
Closing balance	**5,468**

At September 30, 2023, the allowance relates to a few customers showing difficulties in payments.

(19) Inventories

This caption may be analysed as follows:

(€'000)	**December 31, 2022**	**September 30, 2023**
Raw materials, consumables and supplies	85,465	83,618
Allowance for inventory write-down	(4,125)	(6,434)
Work in progress and semi-finished products	37,995	34,305
Allowance for inventory write-down	(2,303)	(2,090)
Finished products and goods	40,375	34,640
Allowance for inventory write-down	(1,609)	(1,502)
Advance payments for inventory	1,394	404
Total	**157,192**	**142,941**

Changes in 2023 are as follows:

(€'000)	
January 1, 2023	157,192
Exchange translation effect	989
Business combination (Anacork)	696
Change in raw materials, consumables and supplies	(5,134)
Change in finished goods and semi-finished products	(9,813)
Change in advance payments for inventory	(990)
September 30, 2023	**142,941**

The allowance for inventory write-down changed as follows:

(€'000)	**September 30, 2023**
Opening balance	8,037
Exchange translation effect	42
Accruals	1,948
Closing balance	**10,027**

(20) Property, plant and equipment

The following table shows the changes in this caption in 2023:

(€'000)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Historical cost at December 31, 2022	62,825	254,995	28,299	4,265	21,315	**371,699**
Accumulated depreciation and impairment losses at December 31, 2022	(9,398)	(127,162)	(11,468)	(2,703)	-	**(150,731)**
Carrying amount at December 31, 2022	**53,427**	**127,833**	**16,831**	**1,562**	**21,315**	**220,968**
Business combination (Anacork)	-	-	-	517	-	**517**
Exchange translation effect	(282)	2,275	240	(61)	834	**3,006**
Increases	56	16,748	145	175	29,464	**46,589**
Disposals	-	(136)	(81)	(1)	(306)	**(523)**
Impairment losses	(1)	(293)	-	-	-	**(294)**
Reclassifications	6,333	9,886	1,738	123	(18,015)	**65**
Depreciation	(1,709)	(17,807)	(1,858)	(434)	-	**(21,808)**
Historical cost at September 30, 2023	70,428	284,216	29,972	4,936	33,293	**422,845**
Accumulated depreciation and impairment losses at September 30, 2023	(12,603)	(145,709)	(12,958)	(3,055)	-	**(174,325)**
Carrying amount at September 30, 2023	**57,825**	**138,506**	**17,014**	**1,882**	**33,293**	**248,520**

In the nine months of 2023, capex increase of €46.6 million mainly refers to investments made to increase production capacity, develop new products, perform plant maintenance and EHS (Environment, Health and Safety) investments.

Capital expenditures are still mainly classified as assets under construction and refer to equipment across all five continents where the group operates, with a specific focus on Italy, UK, Mexico, China and Poland.

Property, plant and equipment include the cost of internal work capitalised.

None of the group's property, plant and equipment has been pledged as collateral at the reporting date, except for the items indicated in note 30) Commitments and guarantees.

(21) Right-of-use assets

The following table shows the changes in this caption in 2023:

(€'000)	**Land and buildings**	**Plant and machinery**	**Industrial and commercial equipment**	**Other assets**	**Total**
Historical cost at December 31, 2022	25,940	8,581	4,321	5,049	**43,892**
Accumulated depreciation and impairment losses at December 31, 2022	(14,219)	(2,985)	(2,843)	(3,238)	**(23,285)**
Carrying amount at December 31, 2022	**11,721**	**5,597**	**1,478**	**1,811**	**20,607**
Exchange translation effect	(202)	(702)	(37)	43	**(898)**
Increases	2,169	2,407	423	859	**5,859**
Decreases	-	-	(9)	3	**(6)**
Reclassifications	11	(76)	-	-	**(65)**
Depreciation of right-of-use assets	(3,152)	(1,290)	(501)	(610)	**(5,552)**
Historical cost at September 30, 2023	27,918	10,211	4,699	5,954	**48,782**
Accumulated depreciation and impairment losses at September 30, 2023	(17,371)	(4,274)	(3,344)	(3,847)	**(28,837)**
Carrying amount at September 30, 2023	**10,547**	**5,936**	**1,355**	**2,107**	**19,945**

The main increases in right-of-use assets relate to GC Ukraine and specifically to the new contracts for rental of a satellite plant located in the city of Ternopil, near to the Polish border, where the company moved a small part of its production lines.

(22) Intangible assets

The following table shows the changes in this caption in 2023:

(€'000)	Development expenditure	Licences and patents	Goodwill	Other	Assets under development and payments on account	Total
Historical cost at December 31, 2022	6,061	134,645	550,091	233,716	3,493	**928,006**
Accumulated amortisation and impairment losses at December 31, 2022	(3,602)	(35,901)	-	(38,051)	-	**(77,554)**
Carrying amount at December 31, 2022	**2,459**	**98,744**	**550,091**	**195,665**	**3,493**	**850,451**
Business combination	-	-	(5,915)	(1)	-	**(5,916)**
Exchange translation effect	36	(12)	0	2,407	170	**2,601**
Increases	331	91	-	147	6,017	**6,586**
Disposals	-	-	-	(5)	(10)	**(15)**
Impairment losses	-	-	(0)	(196)	-	**(196)**
Reclassifications	1,444	151	-	78	(1,673)	**-**
Amortisation	(613)	(3,233)	-	(5,449)	-	**(9,294)**
Historical cost at September 30, 2023	7,883	134,873	544,175	236,865	7,997	**931,792**
Accumulated depreciation and impairment losses at September 30, 2023	(4,226)	(39,131)	-	(44,218)	-	**(87,576)**
Carrying amount at September 30, 2023	**3,657**	**95,741**	**544,175**	**192,646**	**7,997**	**844,216**

This caption decreased by €6.2 million from December 31, 2022 due to the amortisation of €9.3 million for the period, the adjustment on goodwill relating to Labrenta acquisition (€6.3 million for the agreement signed in June 2023, net of €0.3 million booked for the finalization of the acquisition of Anacorks), partially offset by the positive translation effect of €2.6 million and the net increases of the period (€6.6 million, of which over €3 million due to new ERP implementation).

Licences and patents mainly refer to the Guala Closures trademark which is not amortised as from 2021 as it has an indefinite useful life and is tested annually, or when impairment indicators are identified for impairment.

Goodwill includes an amount of €38.6 million deriving of the acquisition of Labrenta Group occurred in October 2022. In consideration of the complexity of the process of allocating the fair value to the assets acquired, liabilities assumed contingent liabilities assumed by Labrenta and the relevant longer term of 12 months from the date of the business combination in these consolidated condensed financial statements the proceeds deriving from the acquisition are still provisionally recognized under the item "Goodwill".
Goodwill, is not amortised but is tested for impairment. Since recognition, goodwill has never been impaired.
The group checks the recoverability of goodwill at least once a year, or more frequently if specific events or circumstances indicate impairment, by testing each CGU (cash-generating unit).
Reference should be made to the 2022 annual report for information on the previous impairment test.
On this basis, the Directors have not identified specific events and/or circumstances that could identify impairment indicators and, therefore, the need to update the impairment test carried out for the consolidated financial statements at December 31, 2022.

(23) Current and non-current financial liabilities

This section provides information on the contractual terms governing the group's bank overdrafts, loans and bonds.

Reference should be made to note 29) Fair value of financial instruments and sensitivity analysis for further information on the group's exposure to interest and currency risks.

Financial liabilities at December 31, 2022 and September 30, 2023 are shown below:

(€'000)	**December 31, 2022**	**September 30, 2023**
Current financial liabilities		
Bonds	677	4,740
Other bank loans and borrowings	3,259	3,323
Other financial liabilities	5,697	15,190
	9,634	*23,253*
Non-current financial liabilities		
Bonds	500,000	500,000
Transaction costs	(14,126)	(12,325)
Other bank loans and borrowings	5,044	3,944
Other financial liabilities	70,720	53,301
	561,638	*544,920*
Total	**571,271**	**568,173**

"Bonds" refer to 3¼% Senior Secured Notes maturing in 2028 (the "**2028 Notes**") of €500 million in aggregate principal amount issued under an indenture dated July 7, 2021 among, *inter alia*, Guala Closures, U.S. Bank Trustees Limited, as trustee and security agent, *mandatario con rappresentanza* and security representative (*rappresentante*) of the Holders of the Notes pursuant to article 2414-bis.3 of the Italian Civil Code (the "**2028 Notes Indenture**").

The 2028 Notes bear fixed interest at a rate of 3¼% per annum, payable semi-annually in arrears on June 15 and December 15 of each year and will mature on June 15, 2028. The 2028 Notes Indenture contain key covenants based on incurrence tests that, among other things, limit the ability of Guala Closures and its restricted subsidiaries to incur or guarantee additional indebtedness and issue certain preferred stock, pay dividends, redeem capital stock and make certain investments, make certain other restricted payments, create or permit to exist certain liens, impose restrictions on the ability of its subsidiaries to pay dividends or make other payments, dispose of its assets, merge or consolidate with other entities, and impair the security interests for the benefit of the holders of the Notes. Each of these covenants is subject to a number of important limitations and exceptions.

Guala Closures has an available amount of €80 million (equivalent) multi-currency revolving senior credit facility (the "**2027 RCF**") governed by English law (with information undertakings, restrictive covenants, events of default and related definitions interpreted in accordance with New York law), entered into on June 28, 2021, by and between Guala Closures, as borrower, U.S. Bank Global Corporate Trust Limited, as the agent, and Deutsche Bank Aktiengesellschaft, Credit Suisse AG, Milan Branch, Goldman Sachs Bank Europe SE, Unicredit S.p.A. and Bank of America Designated Activity Company, as mandated lead arrangers.

The 2027 RCF bears an interest rate applicable to drawn amounts equal to EURIBOR (for loans in euro), SONIA (for loans in pounds sterling) and LIBOR (for loans in any other currency) (subject, in each case, to a floor of zero) + 1.75%. This margin decreased from the original rate of 2.5% to 1.75% based on the decreasing leverage-based margin ratchet.
The 2027 RCF will expire on December 15, 2027.

Furthermore, on August 8, 2022, Guala Closures subscribed an "Additional Facility Lender" to the "2027 RCF" with Cassa Depositi e Prestiti S.p.A. ("CDP") for an amount €16 million. The additional facility bears an interest rate in line with the 2027 RCF and its expiry date is also in line with the 2027 RCF.

The interest rates and maturity dates of the financial liabilities at December 31, 2022 and September 30, 2023 are shown below:

				Nominal amount				
					Current	Non- current		
(€'000)	**Currency**	**Nominal interest rate**	**Year of maturity**	**Total December 31, 2022**	**Within one year**	**Between one and five years**	**More than five years**	**Total non-current**
Bonds								
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	-	500,000	500,000
Interest on bonds	€	n.a.	2022	677	677	-	-	-
Transaction costs	€	n.a.	2028	(12,803)	-	-	(12,803)	(12,803)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**487,874**	**677**	**-**	**487,197**	**487,197**
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€	Euribor 3M+1.75%	2027	-	-	-	-	-
Transaction costs	€	n.a.	2027	(1,323)	-	-	(1,323)	(1,323)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(1,323)**	**-**	**-**	**(1,323)**	**(1,323)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2022	118	118	-	-	-
Facilities Labrenta S.r.l. (Italy)	€	n.a.	n.a.	6,307	2,190	4,117	-	4,117
Banco Chile loan (Chile)	CLP	3.48%	2023	14	14	0	-	0
Loans Itaú Bank (Brazil)	BRL	n.a.	2024	37	16	21	-	21
Bancomer loans (Mexico)	USD	n.a.	2023	1,828	922	906	-	906
TOTAL other bank loans and borrowings				**8,303**	**3,259**	**5,044**	**-**	**5,044**
Other financial liabilities:								
Leases (IFRS 16)	€	n.a.	n.a.	21,226	4,688	12,566	3,972	16,538
Non-controlling investors' put options	€	n.a.	n.a.	35,260	-	-	35,260	35,260
Other liabilities (Liabilities vs Cortapedra: Acquisition Labrenta Srl)	€	3.00%	2026	19,922	1,000	18,922	-	18,922
Other liabilities	€	n.a.	n.a.	9	9	-	-	-
TOTAL other financial liabilities				**76,417**	**5,697**	**31,488**	**39,232**	**70,720**
TOTAL				**571,271**	**9,634**	**36,531**	**525,106**	**561,638**

				Nominal amount				
					Current	Non- current		
(€'000)	**Currency**	**Nominal interest rate**	**Year of maturity**	**Total September 30, 2023**	**Within one year**	**Between one and five years**	**More than five years**	**Total non-current**
Bonds								
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	-	500,000	500,000
Interest on bonds	€	n.a.	2022	4,740	4,740	-	-	-
Transaction costs	€	n.a.	2028	(11,199)	-	-	(11,199)	(11,199)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**493,540**	**4,740**	**-**	**488,801**	**488,801**
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€	Euribor 3M+1.75%	2027	-	-	-	-	-
Transaction costs	€	n.a.	2027	(1,125)	-	(1,125)	-	(1,125)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(1,125)**	**-**	**(1,125)**	**-**	**(1,125)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2022	77	77	-	-	-
Allianz Bank (Bulgaria)	BGN	BDILE+1.4% (*)	n.a.	-	-	-	-	-
Millennium S.A. facilities (Poland)	PLN	Wibor 1M (**)	n.a.	294	294	-	-	-
Facilities Labrenta S.r.l. (Italy)	€	n.a.	n.a.	5,607	2,302	3,306	-	3,306
Loans Itaú Bank (Brazil)	BRL	n.a.	2024	26	17	9	-	9
Facilities (Argentina)	ARS	n.a.	n.a.	30	30	-	-	-
Bancomer loans (Mexico)	USD	n.a.	2023	1,234	605	629	-	629
TOTAL other bank loans and borrowings				**7,268**	**3,323**	**3,944**	**-**	**3,944**
Other financial liabilities:								
Leases (IFRS 16)	€	n.a.	n.a.	21,901	4,945	14,612	2,345	16,957
Non-controlling investors' put options	€	n.a.	n.a.	32,450	6,340	-	26,110	26,110
Other liabilities (Liabilities vs Cortapedra: Acquisition Labrenta Srl)	€	3.00%	2026	13,954	3,720	10,234	-	10,234
Other liabilities	€	n.a.	n.a.	185	185	-	-	-
TOTAL other financial liabilities				**68,491**	**15,190**	**24,846**	**28,455**	**53,301**
TOTAL				**568,173**	**23,253**	**27,665**	**517,255**	**544,920**

The caption "Non-controlling investors' put options" refers to the right of some non-controlling investors to exercise a put option if certain conditions are met.
This liability was calculated as the discounting of the determined value of the put option at its estimated time of exercise (refer to note 29 to the consolidated financial statements for the assumptions underlying the calculation).
This caption has been recognised using the present access method, whereby the financial liability was recognised as a reduction in equity in the first year. The fluctuation in each year, if any, is recognised under financial income (expense) in profit or loss and the non-controlling interests continue to be presented separately as, to all effects, the non-controlling investors have the right to access the profit or loss pertaining to their investment.
Reference should be made to note 29) Fair value of financial instruments and sensitivity analysis for further details.

The Senior Revolving Credit Facility's availability at September 30, 2023 is shown in the table below:

Credit facility	**Available amount ('000)**	**Amount used at September 30, 2023**	**Residual available amount at September 30, 2023**	**Repayment date**
Senior Revolving Credit Facility due 2027	96,000	-	96,000	final repayment 12/15/2027
Total	**96,000**	**-**	**96,000**	

(24) Trade payables

These may be analysed as follows:

(€'000)	**December 31, 2022**	**September 30, 2023**
Suppliers	114,795	95,262
Advance payments to suppliers	716	459
Total	**115,511**	**95,721**

(25) Provisions

This caption may be analysed as follows:

CURRENT PROVISIONS:

(€'000)	**December 31, 2022**	**September 30, 2023**
Provision for company reorganisations	3,136	1,850
Provision for returns	2,217	1,158
Other provisions	717	514
Total current provisions	**6,070**	**3,523**

The provision for company reorganisations mainly includes:

- €1,513 thousand for the reorganisation of the company in Luxembourg;
- €142 thousand for the reorganisation of the company in China;
- €173 thousand for the downsizing of Guala Closures UK Ltd's production activities, commenced in 2018, which entails the transfer of plant and machinery from the secondary Broomhill facility to the main facility in Kirkintilloch. The provision has been calculated considering the cost of terminating the existing agreements and the benefits due to employees under the related contracts.

Changes in the provisions are as follows:

(€'000)	September 30, 2023
Opening balance	6,070
Exchange translation effect	6
Accruals	161
Utilisations	(2,696)
Reversal	(19)
Closing current provisions	**3,523**

Utilizations of the period mainly refer to the costs incurred in the nine months 2023 for the reorganisation in China and provision for return.

The movement of the period relates to the items described above.

NON-CURRENT PROVISIONS:

(€'000)	December 31, 2022	September 30, 2023
Provision for legal disputes	1,913	1,460
Provision for agents' termination indemnity	166	180
Total non-current provisions	**2,079**	**1,640**

Changes in the provisions are as follows:

(€'000)	September 30, 2023
Opening balance	2,079
Exchange translation effect	(2)
Accruals	157
Utilisations	(599)
Reversal	4
Closing non-current provisions	**1,640**

(26) Other current liabilities

This caption may be analysed as follows:

(€'000)	December 31, 2022	September 30, 2023
Amounts due to employees	16,651	18,186
Liabilities for investments	4,934	8,494
Social security charges payable	4,161	3,745
Liabilities for dividends	-	276
Other liabilities	15,345	14,425
Total	**41,091**	**45,126**

(27) Equity attributable to the owners of the parent

The paid-up and subscribed share capital of Guala Closures S.p.A. as at September 30, 2023 remained unchanged compared to December 31, 2022 and amounts to €68,907 thousand consisting of 70,028,654 ordinary shares.

In July 2022, Guala Closures S.p.A. purchased the 2,500,000 "Sponsor Warrant Guala Closures S.p.A." for an amount of €1 million from Space Holding S.r.l..

In October 2022, Guala Closures S.p.A. received €15 million as capital contribution from SPSI. This amount was invested in SPSI by the former owner of Labrenta as part of the consideration paid by Guala Closures S.p.A. for the acquisition. The group's objectives in capital management are to create value for shareholders, safeguard the group's future and to support its development.
The group seeks to maintain a sufficient level of capitalisation, while giving shareholders satisfactory returns and ensuring the group has access to external sources of financing at acceptable terms, including the maintaining of an adequate rating.
The group monitors the debt/equity ratio on an ongoing basis, particularly in terms of net indebtedness and cash flows generated by operating activities.
The board of directors carefully monitors the balance between greater returns through the right level of indebtedness and the advantages of a sound financial position.

On September 27, 2023, Guala Closures S.p.A. shareholders' meeting approved the reclassification of €9.9 million from Retained earnings and other reserves to Legal Reserve in order to distribute dividends.

(28) Equity attributable to non-controlling interests

Equity attributable to non-controlling interests relates to the following consolidated companies:

(€'000)	**Non-controlling interests (%) at December 31, 2022**	**Non-controlling interests (%) at September 30, 2023**	**Balance at December 31, 2022**	**Balance at September 30, 2023**
Guala Closures Technologia Ukraine LLC	30.0%	30.0%	15,010	18,333
Guala Closures India Pvt Ltd.	5.0%	5.0%	3,215	3,209
Guala Closures de Colombia LTDA	6.8%	6.8%	555	707
Guala Closures Bulgaria A.D.	30.0%	30.0%	3,107	2,568
Guala Closures DGS Poland S.A.	30.0%	30.0%	24,519	21,584
Guala Closures BY LLC	30.0%	30.0%	50	(12)
Total			**46,457**	**46,388**

Reference should be made to the statement of changes in equity for changes in equity attributable to the non-controlling interests.

OTHER INFORMATION

(29) Fair value of financial instruments and sensitivity analysis

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, at December 31, 2022 and September 30, 2023. There were no movements from one level to another in the reporting period. The "Accounting policies" section provides information about the fair value hierarchy.

December 31, 2022		**Carrying amount**				**Fair value**			
(€'000)	**Note**	**Designated at FVTPL**	**Loans and receivables at amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value									
Aluminium derivatives held for trading		-			-		-		-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets not measured at fair value (*)									
Trade receivables	18		139,583		**139,583**				-
Financial assets			2,744		**2,744**				-
Cash and cash equivalents	17		79,478		**79,478**				-
		-	**221,805**	**-**	**221,805**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value									
Aluminium derivatives used for trading		(976)			**(976)**		(976)		**(976)**
Non-controlling investors' put options	23	(35,260)			**(35,260)**		-	(35,260)	**(35,260)**
		(36,236)	**-**	**-**	**(36,236)**		**(976)**	**(35,260)**	**(36,236)**
Financial liabilities not measured at fair value (*)									
Secured bank loans	23			(623)	**(623)**		(623)		**(623)**
Unsecured bank loans	23			(6,357)	**(6,357)**		(6,357)		**(6,357)**
Secured bond issues	23			(487,874)	**(487,874)**		(430,274)		**(430,274)**
Lease liabilities (IFRS 16)	23			(21,226)	**(21,226)**				-
Trade payables	24			(115,511)	**(115,511)**				-
Liabilities vs Cortapedra: Acquisition Labrenta S.r.l.	23			(19,922)	**(19,922)**				-
Other financial liabilities	23			(9)	**(9)**				-
		-	**-**	**(651,522)**	**(651,522)**	**-**	**(437,254)**	**-**	**(437,254)**

September 30, 2023		Carrying amount				Fair value			
(€'000)	Note	Designated at FVTPL	Loans and receivables at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Aluminium derivatives held for trading		-			-		-		-
		-	-	-	-	-	-	-	-
Financial assets not measured at fair value (*)									
Trade receivables	18		129,872		**129,872**				-
Financial assets			3,049		**3,049**				-
Cash and cash equivalents	17		104,870		**104,870**				-
		-	**237,791**	-	**237,791**	-	-	-	-
Financial liabilities measured at fair value									
Aluminium derivatives used for hedging		(215)			**(215)**		(215)		**(215)**
Aluminium derivatives used for trading		(315)			**(315)**		(315)		**(315)**
MIP		(6,020)			**(6,020)**			(6,020)	**(6,020)**
Non-controlling investors' put options	23	(32,450)			**(32,450)**		-	(32,450)	**(32,450)**
		(39,000)	-	-	**(39,000)**		**(530)**	**(38,470)**	**(39,000)**
Financial liabilities not measured at fair value (*)									
Bank overdraft	23			(324)	**(324)**		(324)		**(324)**
Secured bank loans	23			(185)	**(185)**		(185)		**(185)**
Unsecured bank loans	23			(5,633)	**(5,633)**		(5,633)		**(5,633)**
Secured bond issues	23			(493,540)	**(493,540)**		(445,026)		**(445,026)**
Lease liabilities (IFRS 16)	23			(21,901)	**(21,901)**				-
Trade payables	24			(95,721)	**(95,721)**				-
Liabilities vs Cortapedra: Acquisition Labrenta Srl)	23			(13,954)	**(13,954)**				-
Other financial liabilities	23			(185)	**(185)**				-
		-	-	**(631,444)**	**(631,444)**	-	**(451,168)**	-	**(451,168)**

(*) The group has not disclosed the fair values of some financial instruments, such as cash and cash equivalents, trade receivables, financial assets, trade payables, lease liabilities and other financial liabilities, because their carrying amounts are a reasonable approximation of fair values.

(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

Level 1

There are no financial instruments classified in level 1 at the reporting period.

Level 2

The following table shows the valuation techniques used in measuring level 2 fair values.

Financial instruments measured and not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Secured bond issues Finance lease liabilities Financial assets	Discounted cash flows	Not applicable
Aluminium derivatives held for trading	Market comparison technique: the fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions of similar instruments	Non applicable

Even though secured bond issues are quoted on the OTC market like the Euro-MTF in Luxembourg, no relevant transactions were recorded during the year and therefore, these financial instruments were classified as level

2. Furthermore, the fair value information for financial assets and financial liabilities not measured at fair value is not included as their carrying amount is a reasonable approximation of fair value.

Sometimes the group decided not to designate aluminium currency derivative contracts as hedge accounting relationships for operational reasons. The derivative agreements used by the Group are forward and option exchange contracts covering aluminium exposure on raw material purchases. All derivatives contracts signed in 2023 are designated as hedge accounting relationships, while not all derivatives contracts signed in 2022 were designated as hedges.

Level 3

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-controlling interests' put options	Discounted cash flows: the fair value is determined considering the expected payment, capitalised at the reporting date, net of the expected dividend yields, discounted to present value using a credit risk-adjusted discount rate. The expected payment is calculated considering the fair value of the subsidiary or its equity based on the relevant contractual agreements with non-controlling investors.	• Expected cash flows in the projections; • inflation data about Ukraine, Bulgaria, Poland and the USA, used to calculate risk-free rates (1.9%-2.8%); • discount rate specific to the country in which the subsidiary operates, adjusted by the group's credit risk (6%-16%); • expected date of put option exercise based on demographic assumptions (age of retirement 60-73) and any change of control clauses and contractual provisions.	The estimated fair value would increase if: • the gross operating profit was higher; • the net financial position was better; • the risk-free rate of the country decreased; • the expected dividend yield decreased; • the inflation rate differential between Ukraine and the USA increased the discount rate adjusted by the group's credit risk; • the expected inflation rate of the country in which the subsidiary is domiciled increased in the last year of the projections; • the expected exercise date for the put option was earlier due to the bringing forward of the pensionable or mortality date and/or exercise of the change-of-control clauses of Guala Closures Group and local administrators.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Management Incentive Plan	Average of the results of the following methods: • Montecarlo: The value of Shares was estimated on the basis of the prediction of 100,000 scenarios; • Binomial tree: The binomial method was applied by developing 400 scenarios over the selected maturity horizon, backtracking from end to start to check at every node whether early exercise is profitable.	• stock price • discount rate • vesting period	The estimated fair value would increase if: • the gross operating profit was higher; • the risk-free rate of the country decreased; • the expected exercise date for the vesting was earlier due to the exit of the shareholders.

(ii) Level 3 fair values

Reconciliation of Level 3 fair values

Level 3 fair values at December 31, 2022 and September 30, 2023 are shown below:

(€'000)	
December 31, 2022	35,260
Included in "financial income" Net fair value profit (unrealised)	(2,810)
MIP - Net fair value loss	6,020
Balance at September 30, 2023	**38,470**

Sensitivity analysis

Reasonably possible changes at September 30, 2023 to one of the significant inputs that is not directly observable, while assuming other inputs remain constant, would have had the following effects on the fair value of the non-controlling investors' put options:

(€'000)	**Increase/(decrease) in input data not directly observable**	**Favourable/(unfavourable) effect on the profit (loss) for the period**
Risk-adjusted discount rate	1%	705
	(1%)	(738)
Growth rate	1%	(430)
	(1%)	408
Expected date of put option exercise	+ 1 year	2,877
	- 1 year	(3,165)

Reasonably possible changes at September 30, 2023 to one of the significant inputs that is not directly observable, while assuming other inputs remain constant, would have had the following effects on the fair value of Management Incentive Plan:

(€'000)	**Increase/(decrease) in input data not directly observable**	**Favourable/(unfavourable) effect on the profit (loss) for the period**
Risk-free	1%	(291)
	(1%)	291
Volatility	1%	(65)
	(1%)	67

(b) Financial risk management

The group is exposed to the following risks as a result of its operations:

- credit risk;
- liquidity risk;
- interest rate risk;
- currency risk;
- other price risk.

Guala Closures S.p.A.'s board of directors has overall responsibility for establishing and monitoring a risk management system for the group.

The proxy system ensures the risk management guidelines are implemented and regularly monitored.

The finance department is responsible for the monitoring and, in carrying out such activities, it uses information generated by the internal control system.

(30) Commitments and guarantees

Following the acquisition by SPSI of 100% of the voting shares in the capital of Guala Closures, on August 3, 2021, SPSI granted an Italian law governed share pledge in respect of the shares it owns in Guala Closures (the "Italian Pledge") to secure Guala Closures' €500 million 3¼% Senior Secured Notes due in 2028 issued on July 7, 2021 (the "2028 Notes") and its €80.0 million (equivalent) multi-currency revolving credit facility (the "2027 RCF"). On August 3, 2021, Guala Closures granted a Dutch law governed share pledge over the shares that it holds in Guala Closures International B.V. to secure the 2028 Notes and the 2027 RCF (the "Dutch Pledge" and together with the Italian Pledge, the "Initial Collateral").

In accordance with the provisions of the documents governing the 2028 Notes and the 2027 RCF, on December 17, 2021, Guala Closures Australia Holdings, Pty Ltd, Guala Closures Australia Pty Ltd, Guala Closures, Ibérica, S.A.U., Guala Closures International B.V. and Guala Closures U.K. Limited provided a guarantee of the 2028 Notes and the 2027 RCF (the "Initial Guarantors").

In addition, on December 17, 2021, Guala Closures' obligations and the guarantee obligations of each other Initial Guarantor under the 2028 Notes and the 2027 RCF were secured by the following pledges:

(i) Australian law governed specific security deed granted by Guala Closures International B.V. in respect of (i) shares held in Guala Closures Australia Holdings, Pty Ltd and (ii) intra-group receivables owed to it by Guala Closures Australia Holdings, Pty Ltd;

(ii) Australian law governed specific security deed granted by Guala Closures Australia Holdings, Pty Ltd in respect of (i) shares held in Guala Closures Australia Pty Ltd and (ii) intra-group receivables owed to it by Guala Closures Australia Pty Ltd;

(iii) Dutch law governed receivables pledge granted by Guala Closures in respect of intra-group receivables owed to it by Guala Closures International B.V.;

(iv) Polish law governed share pledge granted by Guala Closures International B.V. in respect of shares held in Guala Closures DGS Poland S.A.;

(v) Scots law governed share pledge granted by Guala Closures International B.V. in respect of shares held in Guala Closures U.K. Limited; and

(vi) Spanish law governed share pledge granted by Guala Closures International B.V. in respect of shares held in Guala Closures Ibérica S.A. (together, the "Post-Closing Collateral").

In accordance with the provisions of the documents governing the 2028 Notes and the 2027 RCF, on March 18, 2022, Guala Closures México, S.A. de C.V. ("Mexican Guarantor" and together with the Initial Guarantors, the "Guarantors") provided a guarantee of the 2028 Notes and the 2027 RCF. In addition, on March 18, 2022, Guala Closures' obligations and the guarantee obligations of each other Guarantor under the 2028 Notes and the 2027 RCF were secured by (i) a Mexican law governed share pledge granted by Guala Closures International B.V. in respect of shares held in the Mexican Guarantor and (ii) a Mexican law governed non-possessory receivables pledge granted by the Mexican Guarantor in respect of intra-group receivables owed to it by any of its material subsidiaries (the "Mexican Collateral" and together with the Initial Collateral and the Post-Closing Collateral, the "Collateral").

In addition, on August 8, 2022, Guala Closures established a €16.0 million (equivalent) multi-currency revolving credit facility (the "Additional RCF"). The Additional RCF will be guaranteed by the Guarantors and secured by the Collateral on the same basis as the 2027 RCF and confirmatory collateral (or equivalent) will be granted in respect of the existing Collateral to cover the Additional RCF in each applicable jurisdiction.

(31) Related party transactions

Transactions with related parties occurred during the period (no significant effects) do not show variations, in terms of nature and impact, in respect to those reported in prior year.

They refer to remuneration of key management, financial liabilities and financial expenses relating to transactions with Cortapedra as the owners are directors of Labrenta S.r.l..

Transactions with key management personnel are set our below:

(€'000)	Costs recognised in the period					Accrual for post-employment benefits at September 30, 2023	Payables at September 30, 2023	**Cash flows for the period**
	Fees for positions held	Incentives	Remuneration for employment	Accrual for post-employment benefits and other supplementary pension funds	**Total**			
Total key management personnel	890	8,182	450	28	**9,550**	1	8,330	2,576

Incentives also include a transaction with a senior manager already disclosed.
In addition, reference should be made to note 12) Personnel expense for information on share-based long-term incentive plan.

(32) Contingent liabilities

At the date of publication of these condensed interim consolidated financial statements, there were no significant contingent liabilities in relation to which the Group can currently foresee future expenditure.

(33) Events after the reporting period

New Bond Offering, RCF increase and hedging

On October 13, 2023, Guala Closures issued €350 million of new senior secured floating rate notes due 2029 (the "2029 Notes") under an indenture among, inter alios, Guala Closures, U.S. Bank Trustees Limited, as trustee and security agent (the "2029 Notes Indenture"). The proceeds of the 2029 Notes have been used to fund a distribution to the shareholder of Guala Closures, the purchase price for the acquisition of Yibin Fengyi Packaging Co., Ltd ("Fengyi") and cash on balance sheet for general corporate purposes (including to fund further bolt-on acquisitions), and to pay fees and expenses associated thereto.

The 2029 Notes bear interest at a rate equal to three-month EURIBOR (subject to a 0% floor) plus 4.00% per annum, reset quarterly, payable quarterly in arrears on each of December 15, March 15, June 15 and September 15, beginning on December 15, 2023.

The 2029 Notes will mature on June 29, 2029. Prior to October 13, 2024, Guala Closures will be entitled, at its option, to redeem all or a portion of the 2029 Notes by paying a "make-whole" premium. At any time on or after October 13, 2024, Guala Closures may redeem all or part of the 2029 Notes at par, plus accrued and unpaid interest thereon.

Within 180 days from October 13, 2023, the 2029 Notes will be guaranteed on a senior basis by the subsidiaries of Guala Closures that guarantee the existing 2027 RCF and the 2028 Notes. The 2029 Notes and the related guarantees will be secured on a first-ranking basis by the same collateral that secures the 2027 RCF and the 2028 Notes.

The 2029 Notes Indenture contains the same key covenants based on incurrence tests included in the 2028 Notes Indenture. Among other things, such covenants limit the ability of Guala Closures and its restricted subsidiaries to incur or guarantee additional indebtedness and issue certain preferred stock, pay dividends, redeem capital stock and make certain investments, make certain other restricted payments, create or permit to exist certain liens, impose restrictions on the ability of its subsidiaries to pay dividends or make other payments, dispose of its assets, merge or consolidate with other entities, and impair the security interests for the benefit of the holders of the Notes. Each of these covenants is subject to a number of important limitations and exceptions.

In connection with the offering of the 2029 Notes, on October 13, 2023, certain lenders made available an additional facility under the existing Revolving Credit Facility Agreement in an aggregate principal amount of €54.0 million by way of a fungible increase of the total commitments under the 2027 RCF to €150.0 million.

In order to hedge its exposure to the 2029 Notes' floating interest rate, on October 13, 2023, Guala Closures S.p.A. entered into (i) an ISDA Master Agreement with each of Deutsche Bank AG and UniCredit S.p.A. (each, an "ISDA"), which are each in compliance with and secured by the Intercreditor agreement among the Company, U.S. Bank Global Corporate trust Limited as Original Super Senior Agent, U.S. Bank Trustees Limited as Security Agent, and others; and (ii) an Interest Rate Collar transaction referencing the full principal amount of the 2029 Notes in order to hedge the Company's exposure to the floating interest rate payable on the 2029 Notes.
Guala Closures negotiated two different Zero Cost Collars derivates, both ending in October 2027, one for a notional of €175 million, tenor 4 years, cap 4%, floor 2.376% and one for a notional of €175 million, tenor 4 years, cap 4%, floor 2.380%.

Acquisition of Yibin Fengyi Packaging Co., Ltd.

On October 31, 2023, following the agreement reached on July 25, Guala Closures International B.V. entered into a sale and purchase agreement with Mr. Yinzhang Zhu and Ms. Yumin Zhuo to acquire the majority stake of the share capital of Yibin Fengyi Packaging Co. Ltd, based in Yibin - China, which operates mainly in the production and sale of plastic liquor bottle closures and boxes.

Fengyi has a production capacity of approximately 400 million annual closures and 5 million boxes and in 2022 it achieved a turnover of approximately €31.6 million, with an EBITDA of €4.5 million. These results are expected to grow in 2023, with an expected turnover of €37 million and an EBITDA of ca. €5.1 million. Fengyi has around 420 employees and 4 main customers.

In relation to the agreement, the Parties hereby acknowledge and agree that the Purchase Price at closing was RMB 120.2 million (RMB 95.2 million paid at closing and the remaining RMB 25 million paid equally half at the 12th months and half at 24th months after closing) plus the contribution of 30% stake in Guala Closures Chengdu Co. Ltd..

The sale agreement provides a maximum earn-out to the sellers equal to RMB 31 million, based upon certain thresholds for the delta between EBITDA 2023 and EBITDA 2022.

Transaction costs were about €0.9 million.

The Group is currently performing the purchase price allocation and for such reason the further disclosures required by IFRS 3 are not available.

Distribution dividends to the shareholders

On September 29, 2023, Guala Closures S.p.A. shareholders' meeting declared a dividends distribution of €250 million to the company's shareholders upon completion of the new bond offering.

Liquidation of GCL International S.à r.l.

GCL International S.à r.l. is expected to be liquidated by the end of 2023.

On behalf of the board of directors
CEO
Mauro Caneschi

November 29, 2023