Guala Closures Group

INTERIM FINANCIAL REPORT
30 June 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

H1 2023 GROUP HIGHLIGHTS

1954 Establishment	**31** Production sites	**5,071** Employees	**441M €** Turnover 1H 2023	**6** R&D Centres UK, Ukraine, Bulgaria, Mexico and 2 in Italy
8bn+ Closures 1H 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

H1 2023 NET REVENUE BY GEOGRAPHICAL SEGMENT

EUROPE	AMERICAS	ASIA	OCEANIA	AFRICA	GROUP
€247.4m	€125.7m	€37.9m	€18.2m	€11.5m	€440.7m
56.2%	*28.5%*	*8.6%*	*4.1%*	*2.6%*	*100.0%*

H1 2023 NET REVENUE BY PRODUCT

SAFETY	LUXURY	ROLL-ON	OTHER REVENUE	GROUP
€152.1m	€63.6m	€209.6m	€15.4m	€440.7m
34.5%	*14.4%*	*47.6%*	*3.5%*	*100.0%*

H1 2023 NET REVENUE BY DESTINATION

SPIRITS	WINE	WATER	NON-ALC. BEVERAGES	OLIVE OIL & CONDIMENTS	OTHER MARKETS	GROUP
€295.1m	€71.9m	€39.3m	€10.3m	€7.9m	€16.2m	€440.7m
67.0%	*16.3%*	*8.9%*	*2.3%*	*1.8%*	*3.7%*	*100.0%*

COMPANY OFFICERS

BOARD OF DIRECTORS

Chairman and CEO	Gabriele Del Torchio
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.

Contents

DIRECTORS' REPORT

Guala Closures Group

1.1 Introduction

€ 440.7m
1H23 NET REVENUE

SALES NETWORK
IN OVER **100**
COUNTRIES

Around 8 **BILLION**
CLOSURES
PRODUCED IN 1H 2023

3 **PRODUCT**
CATEGORIES

OVER
200 INTELLECTUAL
PROPERTY RIGHTS

31 FACILITIES
&
2 SALES OFFICES

5,071
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 first half 2023, the group produced and sold over 8 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 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.

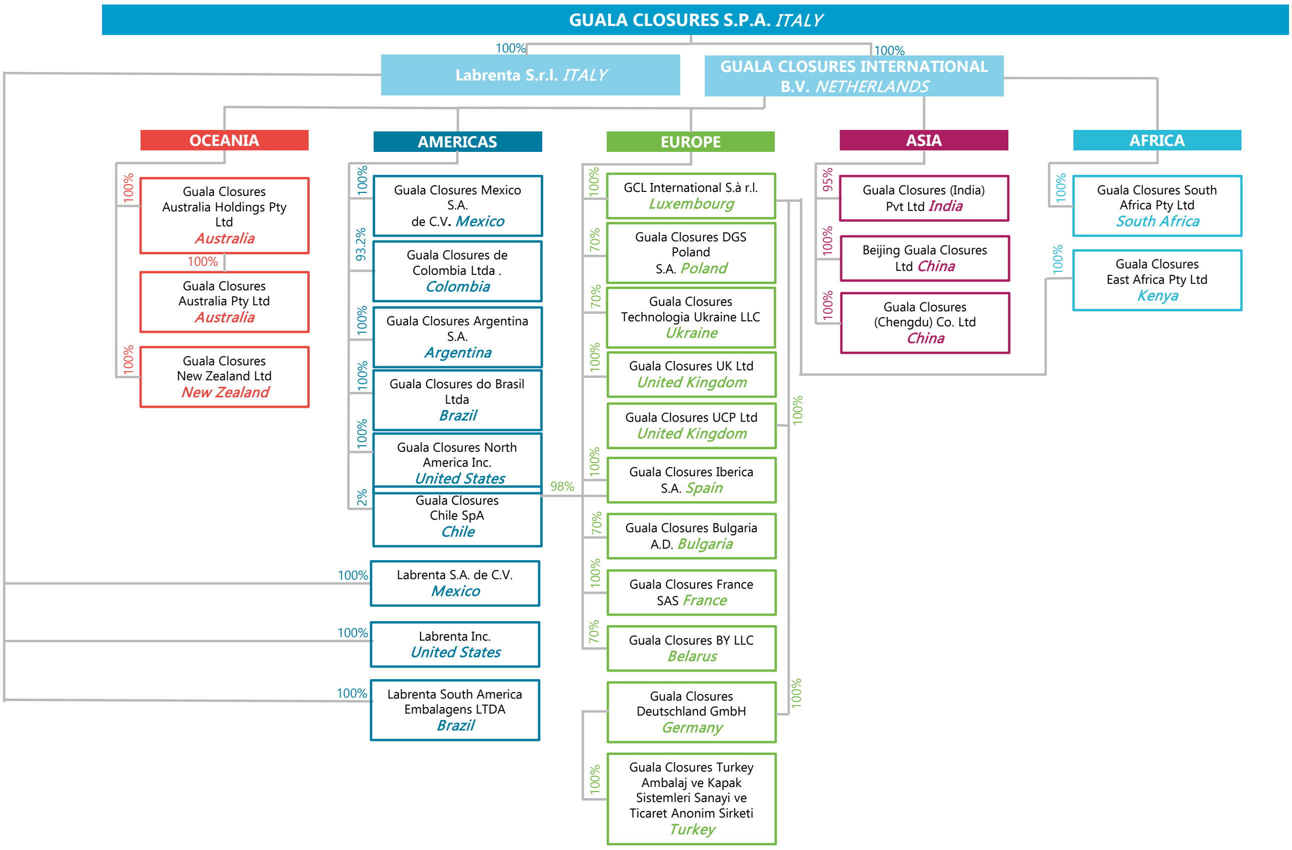
Professionalism: personnel training and growth in the pursuit of continuous and ongoing development.

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

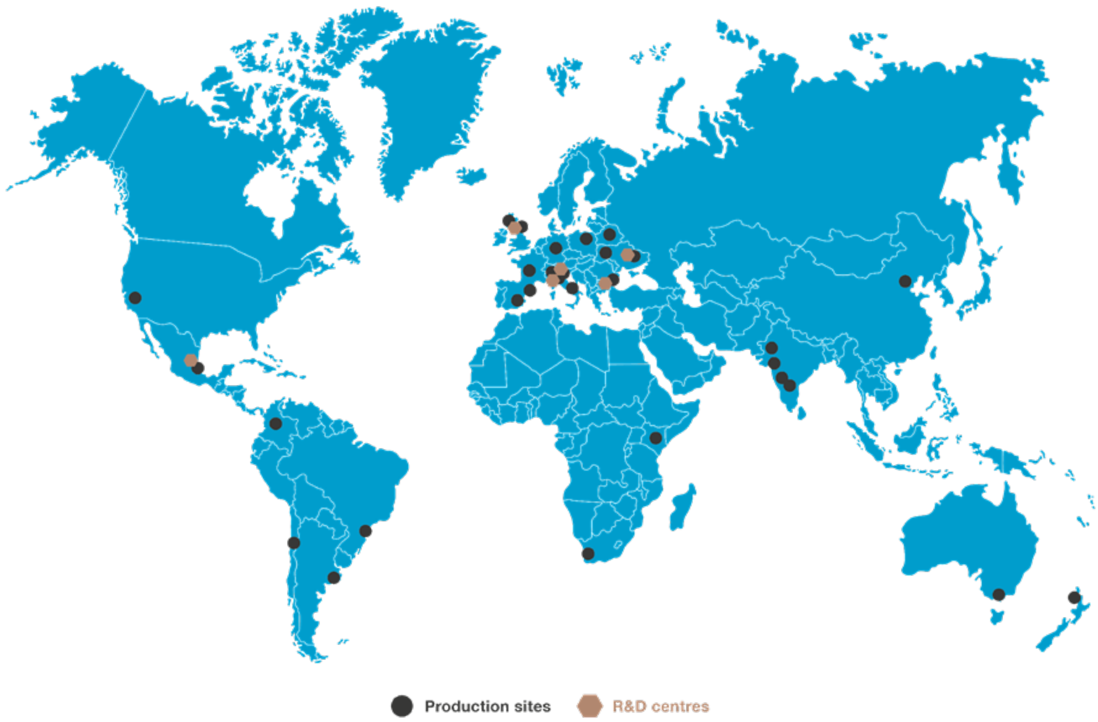
The Guala Closures Group, owned by the operational company Guala Closures S.p.A., operates on five continents.
The following chart illustrates the group structure at June 30, 2023 (companies consolidated on a line-by-line basis):



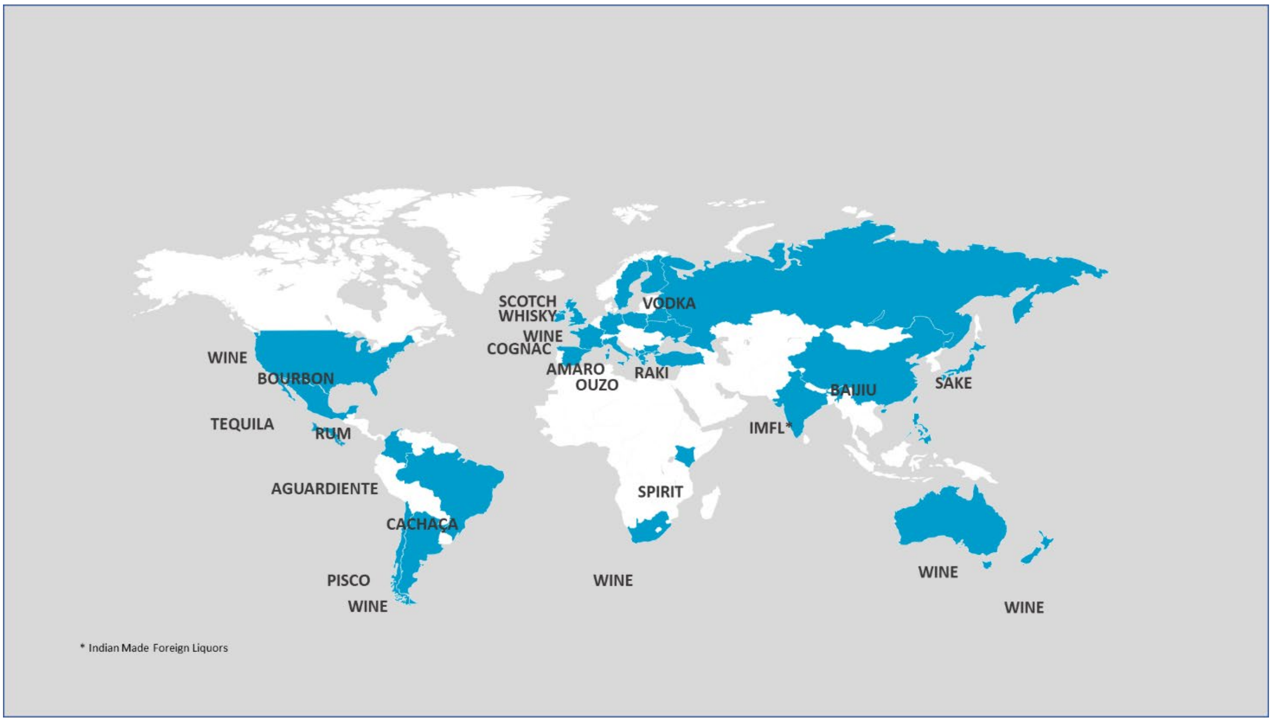
The group structure didn't change in the first half 2023.

1.3 International footprint

The Guala Closures Group is a multinational group with 31 facilities and six research and innovation centres (in the United Kingdom, Ukraine, Bulgaria, Mexico 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 first half 2023, the group produced and sold more than 8 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

Overall speaking the first half 2023 has seen a **steady number of projects** running into the R&D structure of Guala Closures, around 220, most of which targeting the luxury market segment with also strong characteristics of sustainability.

Our **offer in Luxury** closures has widened through the integration of the Labrenta range, remaining the strong focus on customized high end closures developed by our skilled R&D Centres; the technical transfer among the R&D Centres is playing a key role in enlarging the offer in markets where the premiumization trend is still growing, like in Mexico for the Tequila market. Each R&D Centre can access to the widest range of solutions that put together brand value and sustainability, through the continuous exchange of technical experiences among all the Centres.
The organization allows our R&D Centres to answer to customers' requests in really **short time**, benchmarking in Bulgaria and Mexico.

As far as **sustainability** is concerned, the Group is following all the changes that the new legislations could introduce in the packaging market in the next years, in order to be always ahead and ready; the trends in materials in each market are synthetized, shared and tested in order to define which technical solutions could fit.

A deep study about the targets set-up in sustainability by our customers and by the big distilling and RTD players allows Guala Closures to identify the solutions to fit with targets and better address the client requests.

In **anticounterfeiting** the solutions under study are putting together the need for a higher protection in all the environments where the packaging could be used, from the sale to private customers to the pubs, with the request of more sustainable solutions; this will be one of the most challenging targets for the next future.

1.6 Sustainability

The first semester 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 14% and to improve the Energy intensity of our products by 3% in the first six months of the year versus the same period of 2022.

Certifications:
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.

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

2.1 Group performance

Key figures

(€m)		**1H 2022**	**1H 2023**	*% variation*
Net revenue		**408.2**	**440.7**	*7.9%*
Adjusted gross operating profit (Adjusted EBITDA)[1]		**77.5**	**92.5**	*19.3%*
Adjusted gross operating profit (Adjusted EBITDA)[1] *margin*		*19.0%*	*21.0%*	
Net financial indebtedness [2]	**Jun 30, 2022**	**Dec 31, 2022**	**Jun 30, 2023**	
	460.4	489.0	481.7	
Employees			5,071	
Facilities: 31 production facilities and 2 sales offices in 24 countries on 5 continents				
Intellectual property rights			over 200	

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.

The key economic and financial indicators of the Group in the first half 2023 show a positive trend with revenue up 7.9% compared to the same period 2022 and an Adjusted EBITDA margin of 21.0% improving 2% compared to the 19.0% margin of the same period of previous year.

Revenue growth was mainly driven by selling price increase. The first half 2023 performance was realized mainly thanks to growth in Americas and Europe regions.

The increase in Adjusted EBITDA in the first half 2023 compared to 2022 was achieved mainly thanks to a higher average selling price combined with overheads control.

Net financial indebtedness at June 30, 2023 was €481.7 million, with a decrease of €7.3 million compared to the value at December 31, 2022 (€489.0 million) and an increase of €21.3 million compared to June 30, 2022 (€460.4 million) mainly due to the acquisition of Labrenta.

Significant events of the period

The main events which affected the Guala Closures Group in the first half 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 first half 2023, the Company has almost terminated the preparation of the new production site in Qionglai, in line with the timetable originally scheduled.

In the July 2023, Beijing Guala Closures has terminated the production in Beijing and all production activities will start in September 2023 in the new site in Qionglai.

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 Guala Closures exercised also the option for the transfer of Anacork Stake. The transfer will take place in the month of September without any modification of the total consideration paid.

For further details, please refer to table at paragraph "(5) Acquisitions of subsidiaries, business units and non-controlling interests".

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 2H 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 half 2023 and 2022. The figures for 1H 2023 include the effect of the consolidation of Labrenta Group (acquired in the last quarter 2022).

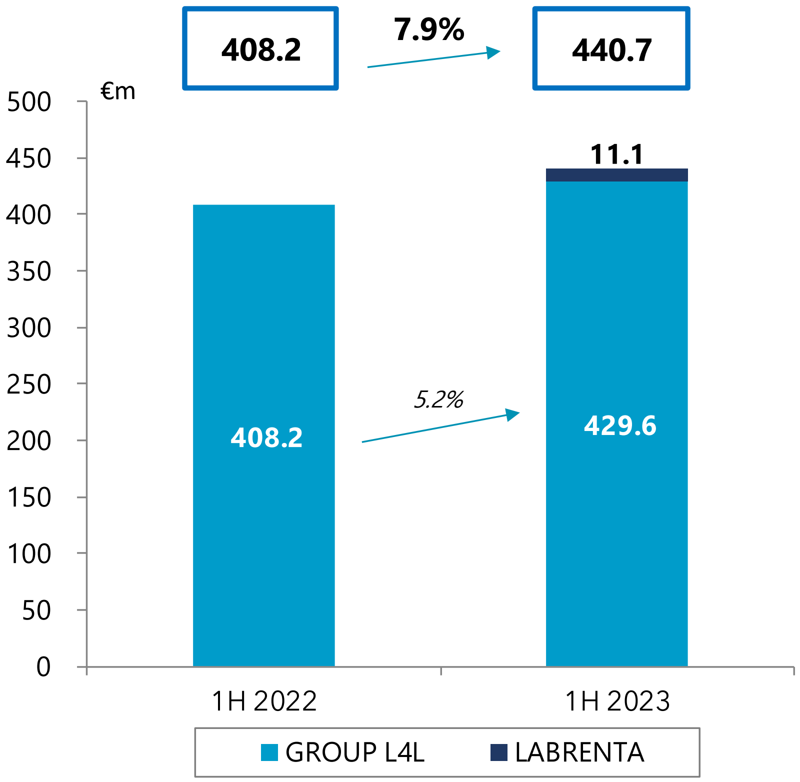
Statement of profit or loss	**1H 2022**		**1H 2023**	
	(€'000)	*% of net revenue*	*(€'000)*	*% of net revenue*
Net revenue	**408,246**	*100.0%*	**440,668**	*100.0%*
Change in finished goods and semi-finished products	17,066	*4.2%*	8,798	*2.0%*
Other operating income	3,829	*0.9%*	2,264	*0.5%*
Internal work capitalised	2,013	*0.5%*	3,668	*0.8%*
Costs for raw materials	(201,957)	*(49.5%)*	(202,112)	*(45.9%)*
Costs for services	(75,859)	*(18.6%)*	(78,962)	*(17.9%)*
Personnel expense	(73,504)	*(18.0%)*	(85,891)	*(19.5%)*
Other operating expense	(5,732)	*(1.4%)*	(5,150)	*(1.2%)*
Impairment losses	(5,608)	*(1.4%)*	(211)	*(0.0%)*
Gross operating profit (EBITDA)	**68,494**	*16.8%*	**83,072**	*18.9%*
Amortisation and depreciation	(26,739)	*(6.5%)*	(25,945)	*(5.9%)*
Operating profit (EBIT)	**41,755**	*10.2%*	**57,128**	*13.0%*
Financial income	11,545	*2.8%*	8,881	*2.0%*
Financial expense	(17,912)	*(4.4%)*	(29,798)	*(6.8%)*
Net financial expense	**(6,368)**	*(1.6%)*	**(20,917)**	*(4.7%)*
Profit before taxation	**35,387**	*8.7%*	**36,211**	*8.2%*
Income taxes	(7,460)	*(1.8%)*	(16,439)	*(3.7%)*
Profit for the period	**27,927**	*6.8%*	**19,772**	*4.5%*
Attributable to:				
- the owners of the parent	23,245	*5.7%*	13,679	*3.1%*
- non-controlling interests	4,682	*1.1%*	6,093	*1.4%*

Adjusted gross operating profit (Adjusted EBITDA)	**77,521**	*19.0%*	**92,453**	*21.0%*

Note:
For information on the calculation of the adjusted gross operating profit reference should be made to page 35.

NET REVENUE

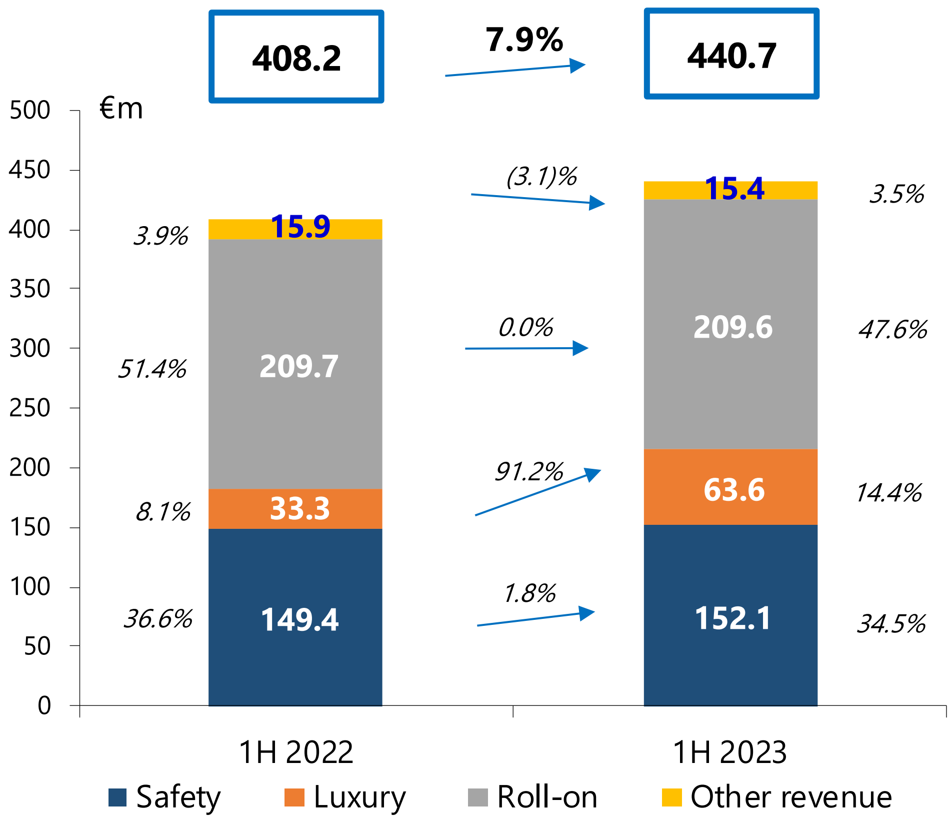
The following chart illustrates the first half 2023 trend in revenue compared to 2022.

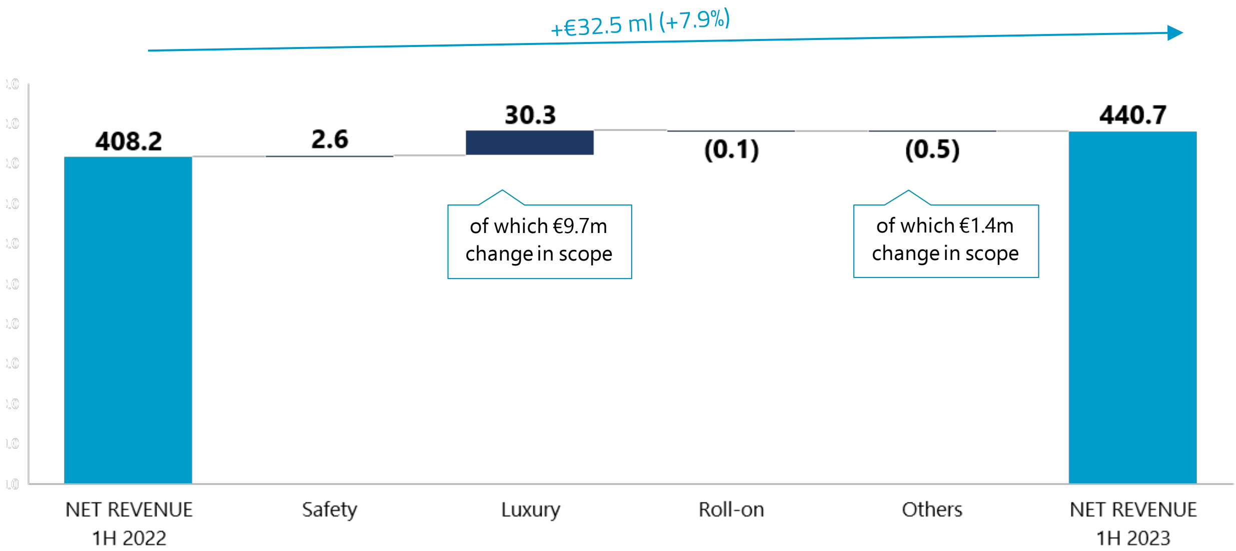


In the first half 2023, consolidated net revenue was €440.7 million, up €32.5 million (+7.9%) on the first half 2022 mainly thanks to higher selling price. Organic growth of €21.4 million (+5.2%) (without considering six months revenues coming from Labrenta acquisition of €11.1 million) is mainly due to the increase in the luxury segment.

NET REVENUE BY PRODUCT

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





Revenue from **safety** closures increased by €2.7 million from €149.4 million in the first half 2022 (36.6% of net revenue) to €152.1 million in the first half 2023 (34.5%). The growth is entirely organic and it is mainly driven by the increase in Mexico, Italy and Brasil.

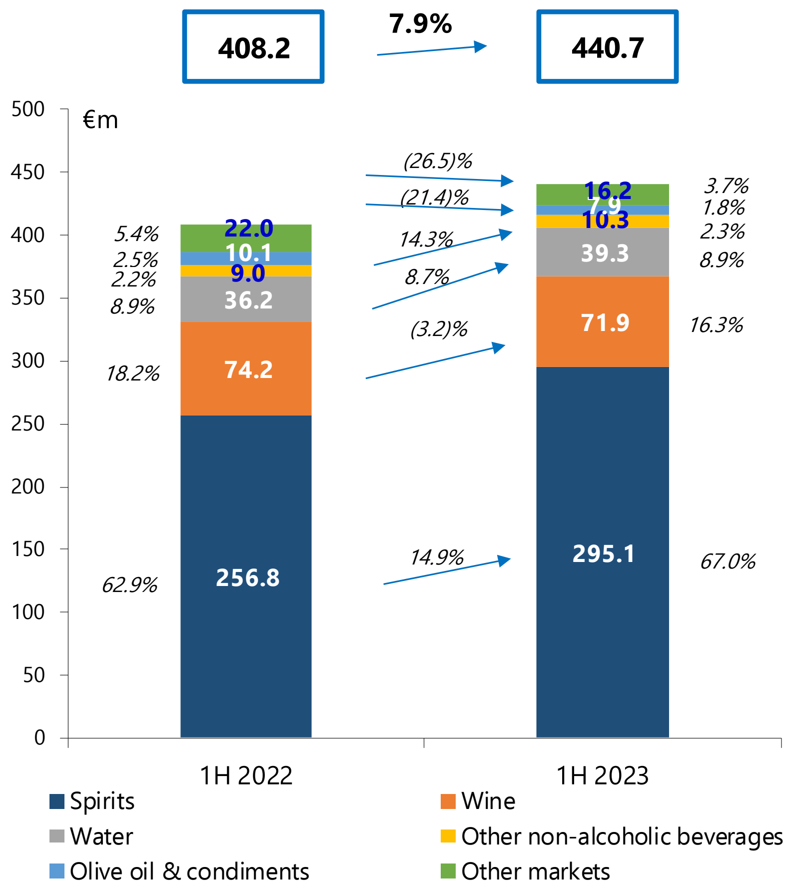
Revenue from **luxury** closures increased by €30.3 million from €33.3 million in the first half 2022 (8.1% of net revenue) to €63.6 million in the first half 2023 (14.4%), due to the increase in both volumes and average price, mainly related to the development of the luxury business in the Americas and Europe and to the change in perimeter of €9.7 million related to the acquisition of Labrenta business.

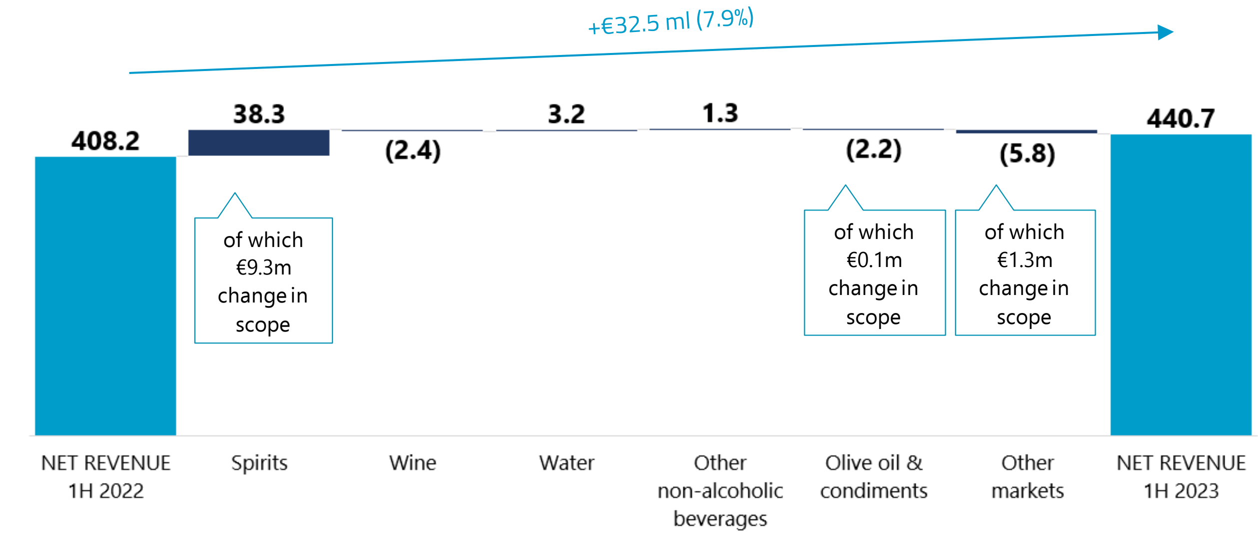
Revenue from **roll-on** closures is in line compared to the first half 2022.

Other revenue decreased by €0.5 million from €15.9 million in the first half 2022 (3.9% of net revenue) to €15.4 million in the first half 2023 (3.5%). 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 increase in first half 2023 was mainly due to the spirits market which is the Group main destination market.

Net revenue in the **spirits market** increased by €38.3 million from €256.8 million in the first half 2022 (62.9% of net revenue) to €295.1 million in the first half 2023 (67.0%). The increase was realised thanks to the increase in Americas and Europe and to the contribution coming from the acquisition of the Labrenta business.

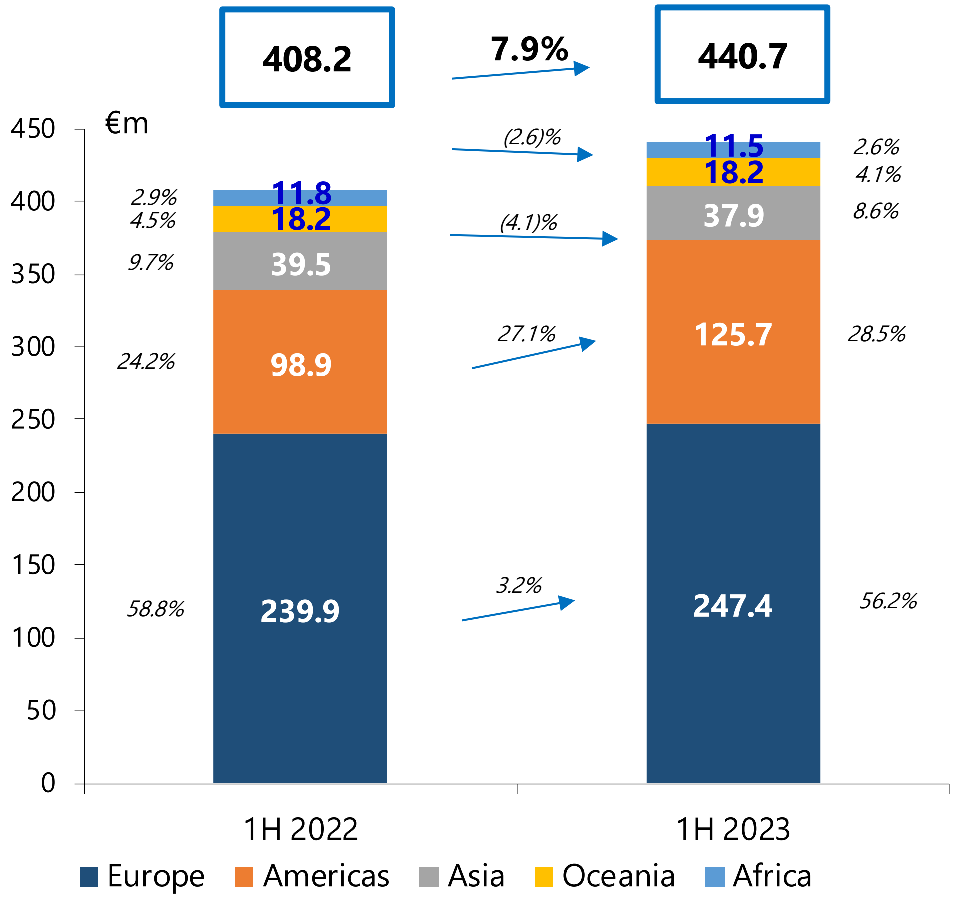
The **wine market** is the group's second largest destination market and generated 16.3% of net revenue in 2023. Revenue from the sale of wine closures decreased by €2.3 million from €74.2 million in the first half 2022 (18.2% of net revenue) to €71.9 million in the first half 2023 (16.3%) as the group 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 growth of 8.7% rising from €36.2 million in the first half 2022 to €39.3 million in the first half 2023 (incidence stable at 8.9% of net revenue).

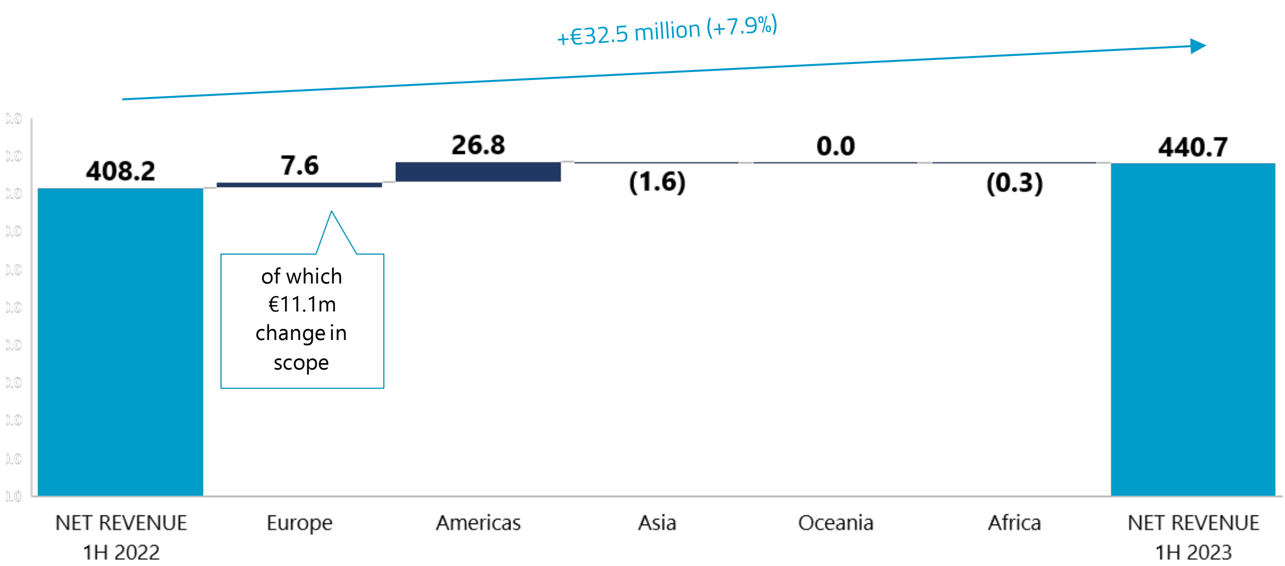
The **other non-alcoholic beverages market** increased by 14.3% compared to 2022 due to some customers growth in specialty beverages.

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:



The sales growth in the first half 2023 was mainly driven by growth in Americas.

Net revenue from operations in **Europe** increased by €7.5 million from €239.9 million in the first half 2022 (58.8% of net revenue) to €247.4 million in the first half 2023 (56.2%).
This increase is due to the contribution from the acquisition of the Labrenta business (€11.1 million) and to good performance of the Ukraine, Spain and Italy thanks to the increase in spirits, water and other non-alcoholic beverages markets.

Net revenue from operations in the **Americas** increased by €26.8 million from €98.9 million in the first half 2022 to €125.7 million in the first half 2023 (24.2% and 28.5% of net revenue, respectively) mainly due to the increase in the spirits (both safety and luxury) and water segments.

Net revenue from operations in **Asia** decreased by €1.6 million, from €39.5 million in the first half 2022 to €37.5 million in the first half 2023 mainly due to lower volumes in India.

Net revenue from operations in **Oceania** remained stable to €18.2 million, both in the first half 2022 and in the first half 2023.

Net revenue from operations in **Africa** decreased by €0.3 million from €11.8 million in the first half 2022 (2.9% of net revenue) to €11.5 million in the first half 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 decreased by €1.5 million from €3.8 million in the first half 2022 (0.9% of net revenue) to €2.3 million in the first half 2023 (0.5%). The decrease is mainly due to lower government grants in the first half 2023 (€1.7 million in the first half 2022).

INTERNAL WORK CAPITALISED

This caption increased by €1.7 million from €2.0 million in the first half 2022 (0.5% of net revenue) to €3.7 million in the first half 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 remained almost stable to €202.1 million, both in the first half 2022 and in the first half 2023, but decreased as % of net revenue from 49.5% in the first half 2022 to 45.9% in the first half 2023.

COSTS FOR SERVICES

Costs for services increased by €3.1 million from €75.9 million in the first half 2022 (18.6% of net revenue) to €79.0 million in the first half 2023 (17.9%). The increase is mainly due consolidation of the Labrenta business (€2.3 million).

PERSONNEL EXPENSE

Personnel expense increased by €12.4 million from €73.5 million in the first half 2022 (18.0% of net revenue) to €85.9 million in the first half 2023 (19.5%), due to inflation and increased activities in 2023 compared to previous year and to MIP accrual (€6.5 million). The impact of the consolidation of the Labrenta business was €3.5 million.

OTHER OPERATING EXPENSE

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

(€'000)	First half		
	2022	**2023**	**diff.**
Accruals to provisions	1,401	405	(996)
Taxes and duties	1,221	1,409	188
Use of third-party assets	1,014	1,076	62
Impairment losses on trade receivables and contract assets	359	348	(11)
Other charges	1,738	1,913	175
Total	**5,732**	**5,150**	**(582)**

Other operating expense decreased by €0.6 million from €5.7 million in the first half 2022 (1.4% of net revenue) to €5.1 million in the first half 2023 (1.2%), mainly due to lower accruals to provisions.

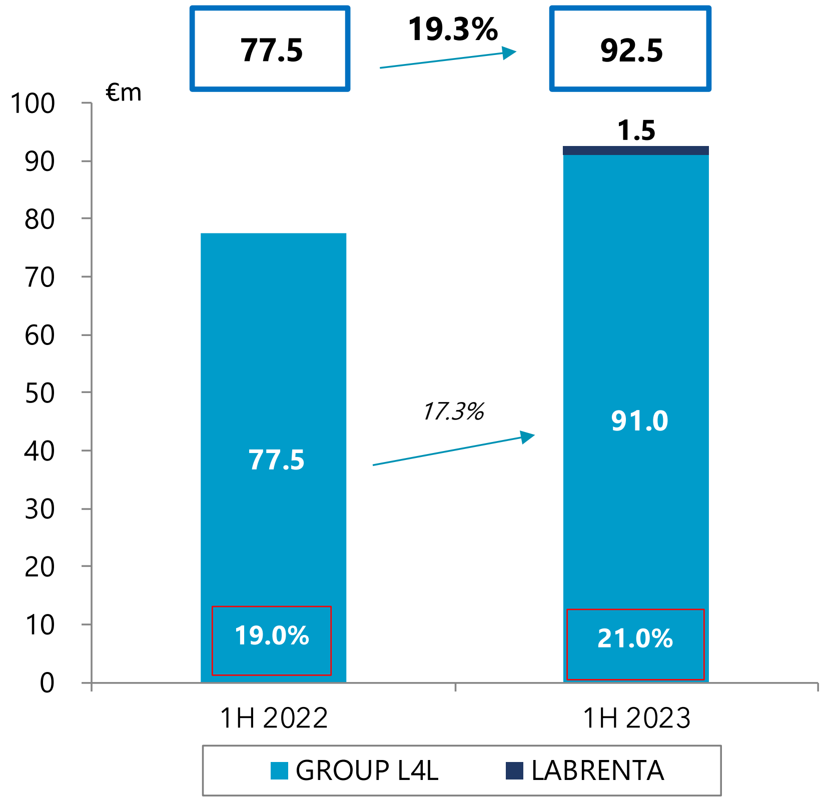
IMPAIRMENT LOSSES

Impairment losses decreased by €5.4 million from €5.6 million in the first half 2022 (1.4% of net revenue) to €0.2 million in the first half 2023 (0.0%). Impairment losses in the first half 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.

ADJUSTED GROSS OPERATING PROFIT

In the first half 2023, the reported adjusted gross operating profit (adjusted EBITDA) is €92.5 million, up €14.9 million (+19.3%) on the first half 2022 (€77.5 million).
Organic growth of €13.5 million (+17.3%) was mainly due to higher average selling price combined with overheads control. Labrenta contributed for €1.5 million in the first half 2023.

The adjusted gross operating profit margin increased from 19.0% of net revenue in the first half 2022 to 21.0% of net revenue in the first half 2023.



AMORTISATION AND DEPRECIATION

Amortisation and depreciation decreased by €0.8 million from €26.7 million in the first half 2022 (6.5% of net revenue) to €25.9 million in the first half 2023 (5.9%).

1H 2023 amortization and depreciation include €8.4 million related to the step-up of the assets value due to PPA procedure accounted in the past years (€8.6 million in the first half 2022).

OPERATING PROFIT

In the first half 2023, the reported operating profit (EBIT) is €57.1 million, up €15.3 million (+36.8%) on the first half 2022 (€41.8 million). Adjusted operating profit in the first half 2023 would be €66.5 million compared to €50.8 million in the first half 2022.

Excluding amortization and depreciation related to the step-up of the assets value due to the PPA procedure accounted in the past years, adjusted operating profit would be €74.9 million in 1H 2023 compared to €59.4 million in 1H 2022).

FINANCIAL INCOME AND EXPENSE

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

(€'000)	First half 2022	First half 2023	diff.
Net interest expense	(9,605)	(9,536)	68
Net exchange gains/(losses)	12	(8,153)	(8,165)
Net fair value gains/(losses) on financial liabilities to non-controlling investors	2,919	(2,440)	(5,359)
Other net financial income/(expense)	306	(928)	(1,235)
Net financial expense	**(6,368)**	**(20,917)**	**(14,549)**

Net financial expense increased by €14.5 million from €6.4 million in the first 2022 to €20.9 million in the first half 2023.
Such increase is mainly due to the €8.2 negative impact on exchange rates, the €5.4 million negative effects of the change in fair value of financial liabilities to non-controlling investors (positive impact of €2.9 million in the first half 2022 versus a negative impact of €2.4 million in the first half 2023) and the €1.2 million negative effects of the other net financial income/(expense).

INCOME TAXES

The following table compares the income taxes in the first half 2022 and 2023:

(€'000)	First half 2022	First half 2023	diff.
Current taxes	(12,897)	(20,150)	(7,254)
Deferred taxes	5,437	3,711	(1,726)
Total income taxes	**(7,460)**	**(16,439)**	**(8,979)**

Income taxes increased by €9.0 million from €7.5 million in the first half 2022 (1.8% of net revenue) to €16.4 million in the first half 2023 (3.7%), 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 first half 2023 amounts to €19.8 million, down €8.1 million on the profit of €27.9 million for the previous year.
The decrease in the first half 2023 is mainly due to the increase in net financial expense (€14.5 million) and higher taxes (€9.0 million), partially compensated by the increase in the gross operating profit (EBITDA) (€14.6 million) and the reduction in amortisation and depreciation (€0.8 million).

Reclassified statement of financial position

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

(€'000)	**December, 31 2022**	**June 30, 2023**
Intangible assets	850,451	843,431
Property, plant and equipment	220,968	238,263
Right-of-use assets	20,607	20,721
Net working capital	181,264	195,904
Derivative liabilities	(976)	(2,715)
Employee benefits	(8,055)	(8,579)
Other net liabilities	(76,309)	(80,712)
Net invested capital	**1,187,950**	**1,206,313**
Financed by:		
Net financial liabilities	512,041	506,170
Financial liabilities - Lease	21,226	22,595
Financial liabilities - non-controlling investors	35,260	37,700
Cash and cash equivalents	(79,478)	(84,734)
Net financial indebtedness	**489,049**	**481,731**
Equity	698,901	724,582
Sources of financing	**1,187,950**	**1,206,313**

INTANGIBLE ASSETS

Intangible assets decreased by €7.0 million mainly due to the amortisation of the period (€6.5 million), the adjustment in goodwill relating to the Labrenta (€6.3 million) partially offset by the increase of the period (€3.1 million) and positive exchange translation effect (€2.6 million).

PROPERTY, PLANT AND EQUIPMENT

The €17.3 million increase in property, plant and equipment compared to December 31, 2022 is mainly due to the investments of the period (€29.6 million), partially offset by the depreciation of the period (€15.6 million) and the positive translation impact (€3.8 million).
Capital expenditure in the first half 2023, totalling €29.6 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 June 30, 2023, right-of-use assets amount to €20.7 million and mainly relate to the leases of the facilities where the group operates. 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.

NET WORKING CAPITAL

The table below provides a breakdown of net working capital:

(€'000)	June 30, 2022	December 31, 2022	June 30, 2023
Inventories	152,580	157,192	165,435
Trade receivables	145,452	139,583	146,648
Trade payables	(117,412)	(115,511)	(116,180)
Net working capital (*)	**180,621**	**181,264**	**195,904**

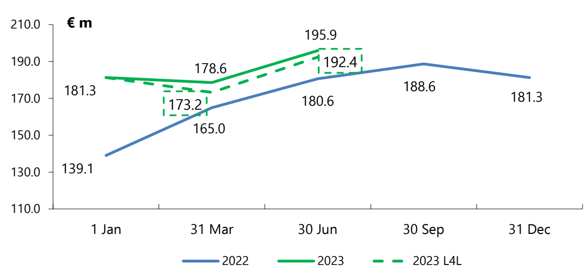
(*) These figures do not match those used to calculate the change in working capital in the statement of cash flows for the applicable period as those amounts have been adjusted to reflect changes in exchange rates on the opening balances. The above net working capital includes certain reclassifications 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 first half sales figures:

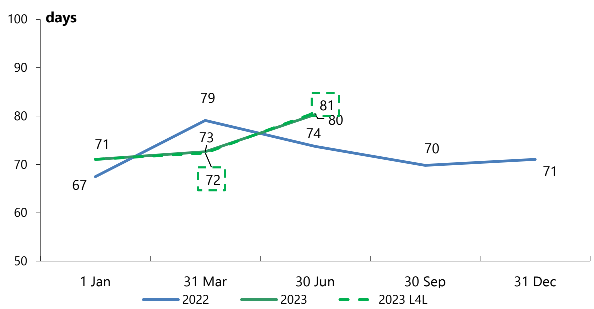
Days	June 30, 2022	December 31, 2022	June 30, 2023
Inventories	62	62	68
Trade receivables	59	55	60
Trade payables	(48)	(45)	(48)
Net working capital days	**74**	**71**	**80**

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

VALUE



DAYS



Net working capital at June 30, 2023 amounted to €195.9 million, with an increase of €14.6 million compared to December 31, 2022. Compared to June 30, 2022, NWC increased by €15.3 million due to Labrenta acquisition (€3.4 million) and increased business activity.
Net working capital days at the end of June 2023 (80 days reported, 81 days L4L) are 7 days higher than at the end of June 2022 at constant perimeter mainly due to higher inventories.

The impact of without-recourse factoring at June 30, 2023 amounts to €53.0 million, compared to €42.5 million at December 31, 2022 and €36.9 million at June 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 89 days at the end of June 2022 to 102 days at the end of June 2023.

OTHER NET LIABILITIES

The table below provides a breakdown of Other net liabilities:

(€'000)	**December 31, 2022**	**June 30, 2023**
Deferred tax assets	51,929	54,741
Deferred tax liabilities	(88,838)	(88,066)
Net DTA/(DTL)	**(36,909)**	**(33,325)**
Payables to employees and social security	(20,812)	(26,969)
Provisions	(8,149)	(7,664)
Liabilities for dividends	-	(34)
Liabilities for investments	(4,934)	(7,370)
Other net liabilities	(5,504)	(5,348)
Total net other liabilities	**(76,309)**	**(80,711)**

EQUITY

The table below shows a breakdown of equity:

(€'000)	**December 31, 2022**	**June 30, 2023**
Equity attributable to the owners of the parent	652,445	675,465
Equity attributable to non-controlling interests	46,457	49,117
Equity	**698,901**	**724,582**

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**	**June 30, 2023**
Net financial liabilities - third parties	512,041	506,170
Financial liabilities - Lease	21,226	22,595
Financial liabilities - non-controlling investors	35,260	37,700
Cash and cash equivalents	(79,478)	(84,734)
Net financial indebtedness	**489,049**	**481,731**

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 half 2023, net financial indebtedness decreased by €7.3 million mainly as the result of cash flows generated by operating activities (€53.3 million), partially offset by the cash flows used in investing activities (€30.1 million) and in financing activities (€15.9 million). This change is an improvement of €5.7 million compared to the change in net financial indebtedness in the first half 2022.

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

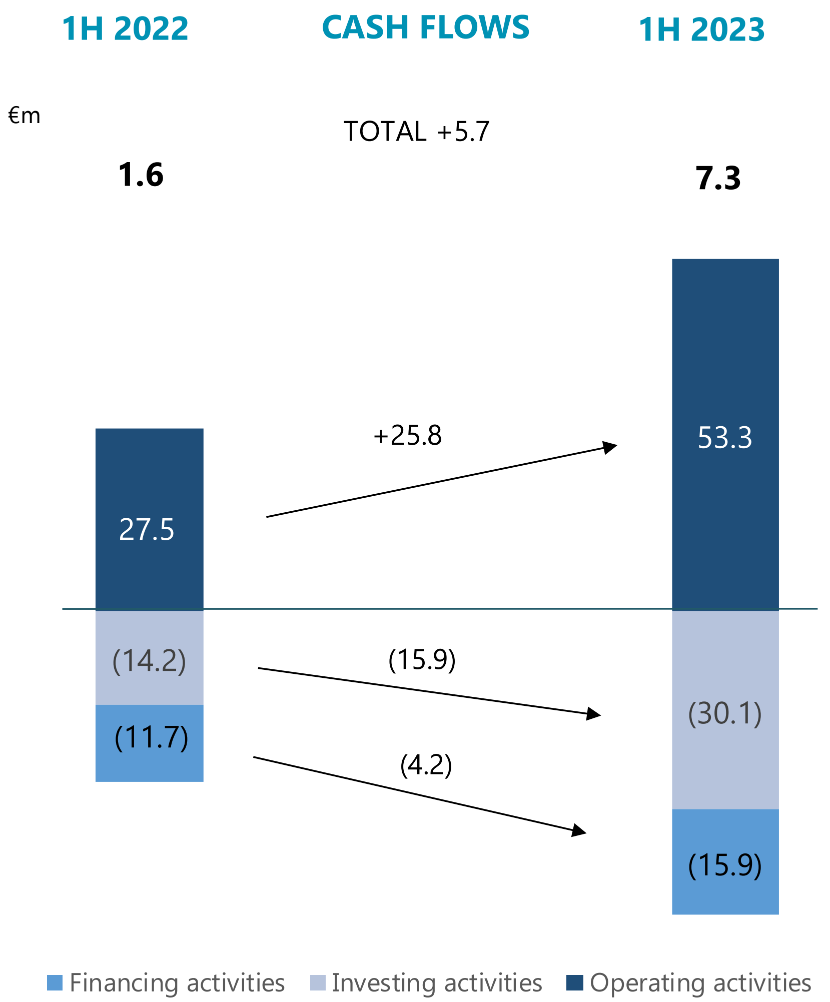
RECLASSIFIED STATEMENT OF CHANGES IN NET FINANCIAL INDEBTEDNESS

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

(€'000)	**1H 2022**	**1H 2023**
A) Opening net financial indebtedness	**(462,024)**	**(489,049)**
Gross operating profit	68,494	83,072
Net gains on sale of non-current assets	(134)	(225)
Change in net working capital	(37,898)	(11,562)
Other operating items	10,724	(1,065)
Derivatives	(847)	(119)
Taxes	(12,797)	(16,781)
B) Net cash flows from operating activities	**27,543**	**53,320**
Capex	(14,217)	(30,111)
C) Cash flows used in investing activities	**(14,217)**	**(30,111)**
Increases in right-of-use assets	(4,601)	(4,619)
Transaction costs not yet paid/(paid) on Bond issued in 2021	(486)	-
Net interest expense	(9,298)	(10,464)
Dividends paid	(423)	(4,374)
Change in financial liabilities for put options	2,919	(2,440)
M&A Labrenta – Lower indebtedness vs previous shareholders	-	6,262
Other financial items	1,042	814
Effect of exchange fluctuation	(889)	(1,069)
D) Change in net financial indebtedness due to financing activities	**(11,737)**	**(15,890)**
E) Total change in net financial indebtedness (B+C+D)	**1,588**	**7,319**
F) Closing net financial indebtedness (A+E)	**(460,435)**	**(481,731)**

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 first half 2023, compared to the first half 2022:



Net cash flows from operating activities

Net cash flows from operating activities totalled €53.3 million, up €25.8 million on the first half 2022 (€27.5 million) manly due to the increase in the gross operating profit (EBITDA) (€14.6 million), the improvement of the change in net working capital (+€26.3 million compared to first half 2022), partially offset by the decrease in other operating items (€11.8 million) and higher cash out for taxes (€4.0 million).
In the first half 2022, other operating items mainly included €5 million attributable to the impairment of the business relationship with customers to reflect the potential loss of the business with Russia.

Cash flows used in investing activities

Cash flows used in investing activities were €30.1 million, up €15.9 million on the first half 2022 (€14.2 million), mainly due to higher investments made in the first half 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 first half 2023 amounted to €15.9 million, up €4.2 million on the first half 2022 (€11.7 million).

Such increase refers to the following main negative effects:

- change in fair value on non-controlling investors' put options (€5.4 million);
- higher dividends paid to minorities (€4.0 million);
- higher net interest expenses (€1.2 million);

partially offset by positive effect of the reduction in indebtedness versus previous shareholder of Labrenta following the settlement agreement signed on June 29, 2023 (€6.3 million).

Current trading and outlook

Increase in the 1H 2023 was achieved mainly thanks to a better mix/average selling price combined with strict control on overheads.

We foresee soft market conditions in 2H mainly due to customers destocking policy, that we expect to be temporary.

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 at a 2022 constant perimeter.

PF means pro-forma figures, i.e. Labrenta acquisition had taken place on January 1, 2022.

Adjusted gross operating profit

	First half	
(€'000)	**2022**	**2023**
Profit for the period	27,927	19,772
Income taxes	7,460	16,439
Profit before tax	**35,387**	**36,211**
Net financial expense	6,368	20,917
Amortisation and depreciation	26,739	25,945
Gross operating profit	**68,494**	**83,072**
Adjustments:		
Reorganisation costs	1,392	309
Merger and acquisition expenses	1,649	2,356
MIP	-	6,504
Change in equity-accounted investments	120	-
Losses due to war	1,596	-
Non-recurring grants	(1,274)	-
Impairment losses	5,543	211
Adjusted gross operating profit	**77,521**	**92,453**

Adjusted operating profit

	First half	
(€'000)	**2022**	**2023**
Profit for the period	27,927	19,772
Income taxes	7,460	16,439
Profit before tax	**35,387**	**36,211**
Net financial expense	6,368	20,917
Operating profit	**41,755**	**57,128**
Adjustments:		
Reorganisation costs	1,392	309
Merger and acquisition expenses	1,649	2,356
MIP	-	6,504
Change in equity-accounted investments	120	-
Losses due to war	1,596	-
Non-recurring grants	(1,274)	-
Impairment losses	5,543	211
Adjusted operating profit	**50,781**	**66,509**

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	1H 2022	1H 2023	Classification in the notes to the condensed interim consolidated financial statements (notes 14-15)
Net exchange gains/(losses)	6,416	6,636	Exchange gains
Net exchange gains/(losses)	(6,404)	(14,649)	Exchange losses
Net fair value gains/(losses) on financial liabilities to non-controlling investors	2,919	-	Financial income on financial liabilities to non-controlling investors
Net fair value gains/(losses) on financial liabilities to non-controlling investors	-	(2,440)	Financial expense on financial liabilities to non-controlling investors
Net interest expense	152	506	Interest income
Other net financial income/(expense)	2,058	1,739	Other financial income
Net interest expense	(9,757)	(10,042)	Interest expense
Other net financial income/(expense)	(1,751)	(2,667)	Other financial expense
Total net financial expense	**(6,368)**	**(20,917)**	

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	June 30, 2023	Classification in the condensed interim consolidated financial statements
Net working capital	139,583	146,648	Trade receivables
Net working capital	157,192	165,435	Inventories
Net working capital	(115,511)	(116,180)	Trade payables
Total net working capital	**181,264**	**195,904**	
Other net liabilities	11,031	8,762	Current direct tax assets
Other net liabilities	11,120	9,984	Current indirect tax assets
Other net liabilities	10,174	12,213	Other current assets
Other net liabilities	61	56	Contract costs
Other net liabilities	51,929	54,741	Deferred tax assets
Other net liabilities	6,799	4,215	Other non-current assets
Other net liabilities	(15,825)	(12,589)	Current direct tax liabilities
Other net liabilities	(11,878)	(12,702)	Current indirect tax liabilities
Other net liabilities	(6,070)	(5,568)	Current provisions
Other net liabilities	(1,620)	(879)	Contract liabilities
Other net liabilities	(41,091)	(42,233)	Other current liabilities
Other net liabilities	(88,838)	(88,066)	Deferred tax liabilities
Other net liabilities	(2,079)	(2,096)	Non-current provisions
Other net liabilities	(21)	(6,550)	Other non-current liabilities
Total net other liabilities	**(76,309)**	**(80,712)**	
Net financial liabilities	(551)	(622)	Current financial assets
Net financial liabilities	(2,193)	(2,211)	Non-current financial assets
Net financial liabilities	4,946	7,500	Current financial liabilities
Financial liabilities - Lease	4,688	5,137	Current financial liabilities
Net financial liabilities	509,839	501,503	Non-current financial liabilities
Non controlling investors' put option	35,260	37,700	Non-current financial liabilities
Financial liabilities - Lease	16,538	17,458	Non-current financial liabilities
Cash and cash equivalents	(79,478)	(84,734)	Cash and cash equivalents
Total net financial indebtedness	**489,049**	**481,731**	

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)

	June 30, 2022	June 30, 2023
Total change in net financial indebtedness	**1,589**	**7,319**
Increase in right-of-use assets	4,601	4,619
Proceeds from new borrowings and bonds	1,353	127
Repayment of borrowings and bonds	(1,759)	(1,061)
Repayment of finance leases	(2,451)	(3,250)
Translation effect on foreign currency assets and liabilities	179	120
Net fair value gains on non-controlling investors' put options	(2,919)	2,440
Change in indentedness vs Labrenta previous shareholder	-	(6,262)
Change in liabilities for financial expense	1,526	1,297
Payment of transaction costs on bond issued in 2021	(486)	-
Change in financial assets	(19)	(90)
Total change in financial assets and liabilities	**25**	**(2,061)**
Total change in cash and cash equivalents	**1,614**	**5,257**

Condensed interim consolidated financial statements at June 30, 2023

Statement of profit or loss

For the six months ended June 30 (€'000)	2022	2023	Note
Net revenue	**408,246**	**440,668**	7
Change in finished goods and semi-finished products	17,066	8,798	
Other operating income	3,829	2,264	8
Internal work capitalised	2,013	3,668	9
Costs for raw materials	(201,957)	(202,112)	10
Costs for services	(75,859)	(78,962)	11
Personnel expense	(73,504)	(85,891)	12
Other operating expense	(5,253)	(4,803)	13
Impairment losses on trade receivables and contract assets	(359)	(348)	
Impairment losses	(5,608)	(211)	
Amortisation and depreciation	(26,739)	(25,945)	20-21-22
Financial income	11,545	8,881	14
Financial expense	(17,912)	(29,798)	15
Share of loss of equity-accounted investees, net of the tax effect	(120)	-	
Profit before taxation	**35,387**	**36,211**	
Income taxes	(7,460)	(16,439)	16
Profit for the period	**27,927**	**19,772**	
Attributable to:			
- the owners of the parent	23,245	13,679	
- non-controlling interests	4,682	6,093	

Statement of profit or loss and other comprehensive income

For the six months ended June 30 (€'000)	2022	2023
Profit for the period	**27,927**	**19,772**
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	9,008	11,692
Hedging reserve	58	(1,818)
Hedging reserve for cash flow hedges reclassified to profit or loss	(126)	(58)
Tax on items that will or may be reclassified subsequently to profit or loss	20	555
Items that will or may be reclassified subsequently to profit or loss:	**8,960**	**10,370**
Other comprehensive income for the period, net of tax	**9,318**	**10,389**
Comprehensive income for the period	**37,246**	**30,161**
Attributable to:		
- the owners of the parent	32,430	23,021
- non-controlling interests	4,816	7,140

The notes on pages 48 to 85 are an integral part of these condensed interim consolidated financial statements.

Statement of profit or loss

Profit or loss

For the three months ended June 30 (€'000)	2022	2023	Note
Net revenue	**220,486**	**219,375**	7
Change in finished goods and semi-finished products	6,479	1,630	
Other operating income	3,064	1,499	8
Internal work capitalised	1,170	1,774	9
Costs for raw materials	(109,791)	(98,298)	10
Costs for services	(38,189)	(37,467)	11
Personnel expense	(37,929)	(45,689)	12
Other operating expense	(2,278)	(2,476)	13
Impairment losses on trade receivables and contract assets	(35)	(284)	
Impairment losses	(219)	(211)	20-21-22
Amortisation and depreciation	(13,275)	(13,039)	20-21-22
Financial income	5,353	4,746	14
Financial expense	(11,020)	(14,941)	15
Share of loss of equity-accounted investees, net of the tax effect	(101)	-	
Profit before taxation	**23,718**	**16,618**	
Income taxes	(5,649)	(10,480)	16
Profit/(loss) for the period	**18,069**	**6,138**	
Attributable to:			
- the owners of the parent	14,786	3,744	
- non-controlling interests	3,283	2,395	

Statement of profit or loss and other comprehensive income

For the three months ended June 30 (€'000)	2022	2023
Profit/(loss) for the period	**18,069**	**6,138**
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	5,459	9,555
Hedging reserve	(3,329)	(4,596)
Hedging reserve for cash flow hedges reclassified to profit or loss	-	3,329
Tax on items that will or may be reclassified subsequently to profit or loss	984	375
Items that will or may be reclassified subsequently to profit or loss:	**3,114**	**8,662**
Other comprehensive income for the period, net of tax	**3,473**	**8,681**
Comprehensive income for the period	**21,542**	**14,819**
Attributable to:		
- the owners of the parent	17,282	11,142
- non-controlling interests	4,260	3,677

The notes on pages 48 to 85 are an integral part of these condensed interim consolidated financial statements.

Statement of financial position – ASSETS

(€'000)	December 31, 2022	June 30, 2023	Note
ASSETS			
Current assets			
Cash and cash equivalents	79,478	84,734	17
Current financial assets	551	622	
Trade receivables	139,583	146,648	18
Inventories	157,192	165,435	19
Current direct tax assets	11,031	8,762	
Current indirect tax assets	11,120	9,984	
Other current assets	10,174	12,213	
Total current assets	**409,130**	**428,400**	
Non-current assets			
Non-current financial assets	2,193	2,211	
Property, plant and equipment	220,968	238,263	20
Right-of-use assets	20,607	20,721	21
Intangible assets	850,451	843,431	22
Contract costs	61	56	
Deferred tax assets	51,929	54,741	
Other non-current assets	6,799	4,215	
Total non-current assets	**1,153,007**	**1,163,637**	
TOTAL ASSETS	**1,562,137**	**1,592,037**	

The notes on pages 48 to 85 are an integral part of these condensed interim consolidated financial statements.

Statement of financial position - LIABILITIES

(€'000)	December 31, 2022	June 30, 2023	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	9,634	12,637	23
Trade payables	115,511	116,180	24
Contract liabilities	1,620	879	
Current direct tax liabilities	15,825	12,589	
Current indirect tax liabilities	11,878	12,702	
Current provisions	6,070	5,568	25
Derivative liabilities	976	2,715	
Other current liabilities	41,091	42,233	26
Total current liabilities	**202,605**	**205,502**	
Non-current liabilities			
Non-current financial liabilities	561,638	556,661	23
Employee benefits	8,055	8,579	
Deferred tax liabilities	88,838	88,066	
Non-current provisions	2,079	2,096	25
Other non-current liabilities	21	6,550	
Total non-current liabilities	**660,631**	**661,952**	
Total liabilities	**863,236**	**867,454**	
Share capital and reserves attributable to non-controlling interests	33,252	43,024	
Profit for the period attributable to non-controlling interests	13,204	6,093	
Equity attributable to non-controlling interests	**46,457**	**49,117**	**28**
Share capital	68,907	68,907	
Share premium reserve	423,837	423,837	
Legal reserve	2,310	3,902	
Translation reserve	(20,348)	(9,684)	
Hedging reserve	-	(1,322)	
Retained earnings and other reserves	122,543	176,147	
Profit / (loss) for the period	55,196	13,678	
Equity attributable to the owners of the parent	**652,445**	**675,465**	**27**
Total equity	**698,901**	**724,582**	
TOTAL LIABILITIES AND EQUITY	**1,562,137**	**1,592,036**	

The notes on pages 48 to 85 are an integral part of these condensed interim consolidated financial statements.

Statement of cash flows

(€'000)	2022	2023	Note
Opening cash and cash equivalents	**80,032**	**79,478**	
A) Cash flows from operating activities			
Profit before taxation	35,387	36,211	
Adjustments:			
Amortisation and depreciation	26,739	25,945	20-21-22
Financial income	(11,545)	(8,881)	
Financial expense	17,912	29,798	
Impairment losses on fixed assets	5,608	211	
Share of loss of equity-accounted investees, net of the tax effect	120	-	
Net gains on sale of non-current assets	(134)	(225)	
Variation:			
Receivables	(23,273)	(4,939)	18
Payables	16,467	(431)	24
Inventories	(31,092)	(6,191)	19
Impairment losses on receivables	-	-	
Other operating items	4,996	(1,277)	
Derivates	(847)	(119)	
VAT and indirect tax assets/liabilities	152	2,711	
Income taxes paid	(12,949)	(19,492)	
Net cash flows from operating activities	**27,543**	**53,320**	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(14,929)	(30,731)	20-21-22
Proceeds from sale of property, plant and equipment and intangible assets	712	620	20-21-22
Net cash flows used in investing activities	**(14,217)**	**(30,111)**	
C) Cash flows from financing activities			
Interest received	370	573	
Interest paid	(10,455)	(11,347)	
Transaction costs paid for bonds issued in 2021	(486)	-	
Other financial items	2,869	2,419	
Dividends paid	(423)	(4,374)	
Proceeds from new borrowings and bonds	1,353	1,291	23
Repayment of borrowings and bonds	(1,759)	(2,226)	23
Repayment of leases	(2,451)	(3,250)	
Change in financial assets	(19)	(90)	
Net cash flows used in financing activities	**(11,002)**	**(17,003)**	
Net cash flows of the period	**2,324**	**6,206**	
Effect of exchange fluctuations on cash held	(710)	(949)	
Closing cash and cash equivalents	**81,645**	**84,734**	**17**

The notes on pages 48 to 85 are an integral part of these condensed interim consolidated financial statements.

Statement of changes in equity

(€'000)	January 1, 2022	Allocation of 2021 result	Profit for the period	Other comprehensive income	Comprehensive income for the period	Dividends	Total transactions with owners	June 30, 2022
	A)	B)			C)		D)	A)+B)+C)+D)
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)			8,874	**8,874**		-	**(2,891)**
Hedging reserve	48			(48)	**(48)**		-	**0**
Retained earnings and other reserves	108,826	(1,269)		359	**359**		-	**107,916**
Profit (loss) for the period	(782)	782	23,245		**23,245**		-	**23,245**
Equity	**590,894**	-	**23,245**	**9,184**	**32,429**	**-**	**-**	**623,324**
Non-controlling interests:								
Share capital and reserves	33,209	8,776	-	134	**134**	(4,106)	**(4,106)**	**38,014**
Profit for the period	8,776	(8,776)	4,682		**4,682**		-	**4,682**
Equity	**41,985**	**-**	**4,682**	**134**	**4,816**	**(4,106)**	**(4,106)**	**42,696**
Total equity	**632,880**	**-**	**27,927**	**9,318**	**37,246**	**(4,106)**	**(4,106)**	**666,020**

(€'000)	January 1, 2023	Allocation of 2022 result	Profit for the period	Other comprehensive income	Comprehensive income for the period	Dividends	Total transactions with owners	June 30, 2023
	A)	B)			C)		D)	A)+B)+C)+D)
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			-		-	**3,902**
Translation reserve	(20,348)			10,645	**10,645**		-	**(9,703)**
Hedging reserve	-			(1,322)	**(1,322)**		-	**(1,322)**
Retained earnings and other reserves	122,543	53,604		19	**19**		-	**176,166**
Profit for the period	55,196	(55,196)	13,678		**13,678**		-	**13,678**
Equity	**652,445**	-	**13,678**	**9,342**	**23,020**	**-**	**-**	**675,465**
Non-controlling interests:								
Share capital and reserves	33,252	13,204		1,047	**1,047**	(4,480)	**(4,480)**	**43,024**
Profit for the period	13,204	(13,204)	6,093		**6,093**	-	**-**	**6,093**
Equity	**46,457**	-	**6,093**	**1,047**	**7,140**	**(4,480)**	**(4,480)**	**49,117**
Total equity	**698,901**	-	**19,771**	**10,389**	**30,161**	**(4,480)**	**(4,480)**	**724,582**

The notes on pages 48 to 85 are an integral part of these condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements at June 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 June 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.
6M/1H means the first six months of the year from January 1 to June 30. Q2 means the three months of the year from April 1 to June 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) and liability relating to a management incentive plan cash settled under IFRS 2, which are measured at fair value and investments in associates which are measured using the equity method. 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 June 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
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
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
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
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

(*) Reference should be made to the chart illustrating the group structure for further details on the indirect investments
(**) The share capital reported for Guala Closures Argentina S.A. represents the nominal value and does not include the revaluation for inflation

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	**1H 2022**	**1H 2023**	**December 31, 2022**	**June 30, 2023**
Pound sterling	0.84219	0.87662	0.8869	0.85828
US dollar	1.09398	1.08110	1.0666	1.08660
Indian rupee	83.32485	88.87752	88.1710	89.20650
Mexican peso	22.17470	19.65502	20.8560	18.56140
Colombian peso	4,283.55500	4,962.26833	5,172.4700	4,546.24000
Brazilian real	5.55785	5.48332	5.6386	5.27880
Chinese renmimbi	7.08273	7.48977	7.3582	7.89830
Argentine peso	129.89840	278.50220	188.5033	278.50220
Polish zloty	4.63287	4.62592	4.6808	4.43880
New Zealand dollar	1.64922	1.73248	1.6798	1.78580
Australian dollar	1.52072	1.59938	1.5693	1.63980
Ukrainian hryvnia	31.70497	39.53155	39.0370	39.69520
Bulgarian lev	1.95580	1.95580	1.9558	1.95580
South African rand	16.8496	19.6798	18.0986	20.5785
Japanese yen	134.2987	145.7527	140.6600	157.1600
Chilean peso	902.7733	871.2383	913.8200	872.5900
Kenyan shilling	125.8488	142.4895	131.6060	152.6938
Turkish lira	17.3220	28.3193	19.9649	28.3193

(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 /ncome 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**	
	1H 2022	**1H 2023**	**1H 2022**	**1H 2023**	**1H 2022**	**1H 2023**
Net revenue	406,187	440,117	2,059	550	408,246	440,668
Amortisation and depreciation	(26,680)	(25,945)	(59)	-	(26,739)	(25,945)
Financial income	11,545	8,881	-	-	11,545	8,881
Financial expense	(17,912)	(29,798)	-	-	(17,912)	(29,798)
Share of loss of equity-accounted investees, net of the tax effect	(120)	0	-	-	(120)	0
Profit (loss) before taxation	35,408	36,183	(20)	28	35,387	36,211
Net capex (*)	14,217	30,111	-	-	14,217	30,111

(*) 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	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023
Trade receivables	139,356	146,499	227	150	139,583	146,648
Inventories	156,621	165,294	572	141	157,192	165,435
Trade payables	(114,629)	(116,180)	(882)	-	(115,511)	(116,180)
Property, plant and equipment and Right of use assets	241,575	258,984	-	-	241,575	258,984

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)	2Q 2022	2Q 2023	1H 2022	1H 2023
Mexico	24,293	35,030	43,039	68,932
United Kingdom	36,347	36,011	70,688	68,729
Italy	26,929	24,613	49,702	51,449
Poland	23,180	16,240	42,795	36,608
India	18,246	15,654	36,360	33,185
Spain	13,189	15,135	24,138	28,029
North America	12,851	12,654	22,811	24,359
Deutschland	13,147	11,079	23,405	21,806
Ukraine	6,431	7,596	12,182	16,242
Australia	6,165	5,332	11,987	11,454
Argentina	7,434	5,781	12,111	10,968
Brasil	4,333	5,311	7,343	10,290
France	5,235	4,793	10,007	9,959
South Africa	4,462	3,603	8,536	7,376
Other countries	18,245	20,545	33,143	41,282
Net revenue	**220,486**	**219,375**	**408,246**	**440,668**

(€'000)	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	
	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023
Italy	581,441	586,362	37,297	39,008
Australia	82,667	78,309	2,031	1,881
India	53,750	52,059	1,746	1,722
Mexico	43,642	51,994	75	85
Poland	48,758	50,552	-	-
Spain	38,368	38,105	439	281
UK	18,401	23,223	1,311	2,936
Ukraine	19,589	20,033	-	-
Brazil	10,937	11,407	-	-
South Africa	12,396	10,639	589	-
Germany	9,924	9,998	1,951	1,787
New Zealand	9,916	9,319	241	237
Kenya	7,701	6,807	255	550
Chile	8,463	8,738	1,595	1,670
China	6,308	7,945	509	406
France	7,338	7,136	0	0
Argentina	4,809	4,721	832	1,037
Other countries	76,118	77,388	1,301	1,149
Consolidation adjustmenst	51,501	47,680	1,757	1,991
Total	**1,092,026**	**1,102,414**	**51,929**	**54,741**

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 first half 2023: approx. €52 million (roughly 12% 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 three subsidiaries located in Brazil, Mexico (put on liquidation in November 2022) and US 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 €48.1 million, net of €1.2 million of cash and cash equivalent acquired representing the fair value of the acquisition cost.
As mentioned in the Directors' report, at the end of June 2023 a settlement agreement has been signed defining the earn out adjustments, variable or additional considerations (that are no more contemplated) and other purchase price adjustments.

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 June 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 (2023,2024 and 2025)
First Earn-out	1,000	(1,000)	**-**	
Second Earn-out	1,937	(1,937)	**-**	
Third Earn-out	1,876	(1,876)	**-**	
Cash and cash equivalent acquired	(1,240)	-	**(1,240)**	
Total Consideration	**48,137**	**(6,262)**	**41,875**	

As a consequence of the above mentioned adjustments in the total consideration, relevant goodwill (still provisionally recognized) has been adjusted for the same amount, as described below.

Identifiable assets acquired and liabilities assumed

Recognised assets acquired and liabilities assumed at the acquisition date are summarised below:

(€'000)	**Amounts recognised at the acquisition date**
Property, plant and equipment	3,508
Intangible assets	944
Right-of-use assets	2,828
Financial receivables vs former owner	1,786
Inventories	3,125
Trade receivables	5,919
Trade payables	(2,905)
Other current/non current asset/(liabilities)	277
Employee benefits	(511)
Long term provisions	(1,858)
Financial assets	32
Financial liabilities	(10,081)
Deferred tax assets	256
Net identifiable assets and liabilities	**3,319**

Financial receivables vs former owner of €1.7 million represent an indemnification assets under IFRS 3 reflecting the warranty given by the former owner in relation to a specific risk provided for by the acquired company.
The trade receivables comprise gross contractual amounts due of about €1 m, 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).

Provisional goodwill arising from the acquisition is now recognised as follows (following the agreement signed in June 2023 previously mentioned):

(€'000)	**Amount as at 30 June 2023**
Consideration paid	41,875
less: net identifiable assets and liabilities	(3,319)
Provisional goodwill arising from the acquisition	**38,556**

In consideration of the complexity of the process of allocating the fair value to the assets acquired, liabilities assumed and contingent liabilities assumed by Labrenta, the longer term of 12 months from the date of the business combination allowed by the reference legislation precisely because of the aforementioned complexity, in this condensed consolidated interim financial statements, the proceeds deriving from the acquisition are provisionally recognized under the item "Goodwill" for a value of €38.6 million, corresponding to the difference between the lower value of the consolidated net assets of Labrenta and the consideration transferred for the purchase of Labrenta shares from the buyers.
The latter goodwill mainly related to the technical skills and knowledge of Labrenta' personnel.
The recognised goodwill will not be deductible for income tax purposes.

If new information obtained within one year of the date of the acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of the acquisition, then the accounting for the acquisition will be revised.

(6) Russia - Ukraine conflict

On February 24, 2022, as a result of the start of the war, GC Ukraine was forced to shut down the factory located in Sumy. No damage was suffered in relation to the assets of the company.

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.

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.

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)	Q2		first half	
	2022	**2023**	**2022**	**2023**
Europe	126,983	121,522	239,871	247,443
Asia	19,968	18,341	39,493	37,856
Americas	57,543	64,987	98,890	125,673
Oceania	9,824	8,761	18,230	18,236
Africa	6,169	5,764	11,762	11,460
Total	**220,486**	**219,375**	**408,246**	**440,668**

The table below illustrates net revenue by product:

(€'000)	Q2		first half	
	2022	**2023**	**2022**	**2023**
Safety closures	80,709	77,469	149,429	152,076
Luxury closures	18,501	32,206	33,266	63,608
Roll-on closures	112,966	105,466	209,676	209,602
Other revenue	8,310	4,234	15,875	15,381
Total	**220,486**	**219,375**	**408,246**	**440,668**

The table below illustrates net revenue by destination market:

(€'000)	Q2		first half	
	2022	**2023**	**2022**	**2023**
Spirits closures	139,817	150,785	256,765	295,109
Wine closures	39,731	34,400	74,225	71,860
Water closures	20,189	20,127	36,157	39,310
Non-alcoholic beverages closures	4,915	5,566	9,003	10,292
Olive oil & condiments closures	5,203	3,938	10,068	7,909
Closures for other markets	10,632	4,559	22,027	16,189
Total	**220,486**	**219,375**	**408,246**	**440,668**

(8) Other operating income

This caption includes:

(€'000)	Q2		first half	
	2022	2023	2022	2023
Sundry recoveries/repayments	1,070	314	1,588	679
Government grants	1,618	108	1,701	267
Gains on sale of non-current assets	94	137	154	225
Other	281	939	385	1,094
Total	**3,064**	**1,499**	3,829	**2,264**

Sundry recoveries/repayments of €0.7 million in 1H2023 are mainly referred to the ones received by GC S.pA. and GC Poland.

(9) Internal work capitalised

(€'000)	Q2		first half	
	2022	2023	2022	2023
Internal work capitalised	1,170	1,774	2,013	3,668
Total	**1,170**	**1,774**	**2,013**	**3,668**

This caption increased by €1.7 million from €2.0 million in the first half 2022 (0.5% of net revenue) to €3.7 million in the first half 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)	Q2		first half	
	2022	2023	2022	2023
Raw materials and supplies	107,311	85,227	197,963	183,067
Packaging	4,814	3,653	8,698	7,882
Consumables and maintenance	2,764	2,526	5,501	5,936
Fuels	152	126	299	319
Other purchases	1,486	1,493	2,972	2,666
Change in inventories	(6,736)	5,272	(13,475)	2,241
Total	**109,791**	**98,298**	**201,957**	**202,112**

Costs for raw materials in 1H 2023 slightly increased by €0.1 million from €202.0 million in 2022 to €202.1 million in 2023, but decreased in percentage of net revenue from 49.5% in the first half 2022 to 45.9% in 2023.

(11) Costs for services

This caption includes:

(€'000)	Q2		first half	
	2022	2023	2022	2023
Electricity / heating	11,827	8,845	24,119	20,732
Transport	11,083	8,661	20,531	18,792
External processing	2,572	4,088	4,839	8,051
Maintenance	2,264	2,666	4,553	5,560
Legal and consulting fees	2,193	3,036	4,426	5,555
Travel	896	1,208	1,575	2,344
Sundry industrial services	1,947	2,838	4,473	5,268
Insurance	1,007	1,073	1,796	2,259
Administrative services	732	759	1,584	1,612
Directors' fees	721	733	1,327	1,480
Technical assistance	439	788	1,555	1,303
Commissions	302	466	663	952
Cleaning service	432	498	853	982
External labour / porterage	510	386	919	855
Advertising services	158	268	401	476
Security	163	225	314	429
Telephone costs	164	177	343	349
Commercial services	22	18	119	332
Entertainment expenses	102	114	204	235
Expos and trade fairs	53	(28)	112	103
Other	603	648	1,150	1,293
Total	**38,189**	**37,467**	**75,859**	**78,962**

(12) Personnel expense

This caption includes:

(€'000)	Q2		first half	
	2022	2023	2022	2023
Wages and salaries	30,929	31,580	59,388	63,618
Social security contributions	4,568	4,631	8,827	9,440
Expense from defined benefit plans	425	498	908	1,013
Other costs	2,007	8,980	4,382	11,820
Total	**37,929**	**45,689**	**73,504**	**85,891**

Personnel expense increased from €73.5 million in the first half 2022 to €85.9 million in the first half 2023 following the company’s actions in 2023.
Personnel expense increased by 16.9% in 2023.

At December 31, 2022 and June 30, 2023, the group had the following number of employees:

	December 31, 2022	June 30, 2023
Blue collars	3,679	3,713
White collars	984	983
Managers	377	375
Total	**5,040**	**5,071**

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 in H2 2023 for an amount of €6.5 million as Other costs.

(13) Other operating expense

This caption includes:

(€'000)	Q2		first half	
	2022	**2023**	**2022**	**2023**
Accruals to provisions	249	221	1,401	405
Taxes and duties	724	735	1,221	1,409
Use of third-party assets	524	503	1,014	1,076
Other charges	780	1,017	1,618	1,913
Total	**2,278**	**2,476**	**5,253**	**4,803**

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)	Q2		first half	
	2022	2023	2022	2023
Exchange gains	1,834	3,577	6,416	6,636
Interest income	86	218	152	506
Financial income on financial liabilities to non-controlling investors	2,281	-	2,919	-
Other financial income	1,152	950	2,058	1,739
Total	**5,353**	**4,746**	**11,545**	**8,881**

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)	2Q		first half	
	2022	2023	2022	2023
Interest expense	4,890	5,048	9,757	10,042
Exchange losses	5,119	7,306	6,404	14,649
Financial expense on financial liabilities to non-controlling investors	-	1,299	-	2,440
Other financial expense	1,011	1,288	1,751	2,667
Total	**11,020**	**14,941**	**17,912**	**29,798**

Interest expense of €10.0 million mainly refers to the Guala Closures S.p.A. bond.

The change in fair value of the financial liabilities to non-controlling investors, in the first half 2022 compared to December 31, 2021, generated a financial income of €2.9 million, while the change in fair value of the financial liabilities in the first half 2023 compared to December 31, 2022 generated a financial expense of €2.4 million.
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 2023 is composed, for €0.7 million, by interest costs relating to IFRS 16 liabilities (€0.6 million in 2022).

(16) Income taxes

This caption includes:

(€'000)	2Q		first half	
	2022	**2023**	**2022**	**2023**
Current taxes	(7,010)	(12,293)	(12,897)	(20,150)
Deferred taxes	1,361	1,814	5,437	3,711
Total	**(5,649)**	**(10,480)**	**(7,460)**	**(16,439)**

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	555
Total	**20**	**555**

Statement of financial position

(17) Cash and cash equivalents

Cash and cash equivalents totalled €84,734 thousand at June 30, 2023 (€79,478 thousand at December 31, 2022).

(18) Trade receivables

This caption may be analysed as follows:

(€'000)	**December 31, 2022**	**June 30, 2023**
Trade receivables	143,183	150,304
Loss allowance	(3,600)	(3,656)
Total	**139,583**	**146,648**

The balance of trade receivables reflects the use of without-recourse factoring by the group companies. Such impact at June 30, 2023 was €53.0 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)	**June 30, 2023**
Opening balance	3,600
Exchange translation effect	16
Accruals	348
Utilisations/releases of the period	(308)
Closing balance	**3,656**

At June 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**	**June 30, 2023**
Raw materials, consumables and supplies	85,465	85,786
Allowance for inventory write-down	(4,125)	(5,455)
Work in progress and semi-finished products	37,995	45,952
Allowance for inventory write-down	(2,303)	(2,779)
Finished products and goods	40,375	42,908
Allowance for inventory write-down	(1,609)	(1,981)
Advance payments for inventory	1,394	1,005
Total	**157,192**	**165,435**

Changes in 2023 are as follows:

(€'000)	
January 1, 2023	157,192
Exchange translation effect	2,076
Change in raw materials, consumables and supplies	(2,241)
Change in finished goods and semi-finished products	8,798
Change in advance payments for inventory	(390)
June 30, 2023	**165,435**

The allowance for inventory write-down changed as follows:

(€'000)	**June 30, 2023**
Opening balance	8,037
Exchange translation effect	(46)
Utilisations/releases of the period	2,225
Closing balance	**10,216**

(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**
Exchange translation effect	63	2,783	204	(59)	837	**3,827**
Increases	53	7,518	104	46	21,906	**29,626**
Disposals	-	(55)	(80)	(21)	(236)	**(391)**
Impairment losses	(0)	(211)	-	-	-	**(211)**
Reclassifications	578	11,147	1,219	134	(13,024)	**54**
Depreciation	(1,070)	(13,116)	(1,226)	(197)	-	**(15,609)**
Historical cost at June 30, 2023	63,858	279,525	29,533	4,290	30,797	**408,003**
Accumulated depreciation and impairment losses at June 30, 2023	(10,808)	(143,626)	(12,481)	(2,825)	-	**(169,740)**
Carrying amount at June 30, 2023	**53,050**	**135,899**	**17,052**	**1,465**	**30,797**	**238,263**

In the first half 2023, capex increase of €29.6 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	(108)	(570)	(30)	68	**(639)**
Increases	2,400	1,371	233	631	**4,635**
Decreases	-	-	(3)	(14)	**(17)**
Reclassifications	21	(76)	-	-	**(55)**
Depreciation of right-of-use assets	(2,120)	(907)	(319)	(466)	**(3,812)**
Historical cost at June 30, 2023	28,254	9,307	4,522	5,734	47,817
Accumulated depreciation and impairment losses at June 30, 2023	(16,339)	(3,892)	(3,162)	(3,703)	**(27,097)**
Carrying amount at June 30, 2023	**11,915**	**5,415**	**1,360**	**2,031**	**20,721**

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			(6,262)			**(6,262)**
Exchange translation effect	38	(14)	(3)	2,441	165	**2,627**
Increases	309	82	-	36	2,716	**3,142**
Disposals	-	-	-	(5)	-	**(5)**
Reclassifications	-	802	-	-	(802)	**1**
Amortisation	(442)	(2,168)	-	(3,915)	-	**(6,524)**
Historical cost at June 30, 2023	6,434	135,505	543,826	236,519	5,572	**927,856**
Accumulated depreciation and impairment losses at June 30, 2023	(4,069)	(38,059)	-	(42,297)	-	**(84,426)**
Carrying amount at June 30, 2023	**2,364**	**97,446**	**543,826**	**194,222**	**5,572**	**843,431**

This caption decreased by €7.0 million from December 31, 2022 due to the amortisation of €6.5 million for the period, the adjustment on goodwill relating to Labrenta acquisition already commented, partially offset by the positive translation effect of €2.6 million and the net increases of the period (€3.1 million).

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, is not amortised but is tested for impairment. Since recognition, goodwill has never been impaired.

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".

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.

The main economic and financial indicators of the Group for the six months of 2023 show an improvement for the Group in term of results, net working capital and net financial position compared to 2022 and to the 2023 forecasts.

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 June 30, 2023 are shown below:

(€'000)	**December 31, 2022**	**June 30, 2023**
Current financial liabilities		
Bonds	677	4,740
Other bank loans and borrowings	3,259	2,966
Other financial liabilities	5,697	8,994
	9,634	*12,637*
Non-current financial liabilities		
Bonds	500,000	500,000
Transaction costs	(14,126)	(12,937)
Other bank loans and borrowings	5,044	4,308
Other financial liabilities	70,720	65,290
	561,638	*556,661*
Total	**571,271**	**569,299**

"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 set out in the 2027 RCF. The 2027 RCF will expire 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 expiry date of the additional facility is in line with the 2027 RCF bearing an interest rate applicable to drawn amounts equal to EURIBOR, LIBOR or a different parameter identified as the Compounded Reference Rate (2027 RCF + 1.75% p.a.), but based on the decreasing leverage-based margin ratchet set out in the 2027 RCF. The 2027 RCF margin decreased from the original rate of 2.5% to 1.75% based on the decreasing leverage-based margin.

We or our affiliates may from time to time seek to transact in our outstanding debt through cash purchases, open market purchases, privately negotiated transactions, sales or otherwise. Such transactions will depend on market conditions, our liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material.

The interest rates and maturity dates of the financial liabilities at December 31, 2022 and June 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**

(€'000)	Currency	Nominal interest rate	Year of maturity	Nominal amount				
					Current	Non- current		
				Total June 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	677	677	-	-	-
Transaction costs	€	n.a.	2028	(11,745)	-	-	(11,745)	(11,745)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**488,932**	**677**	**-**	**488,255**	**488,255**
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€	Euribor 3M+1.75%	2027	-	-	-	-	-
Transaction costs	€	n.a.	2027	(1,192)	-	(1,192)	-	(1,192)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(1,192)**	**-**	**(1,192)**	**-**	**(1,192)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2022	52	52	-	-	-
Facilities Labrenta S.r.l. (Italy)	€	n.a.	n.a.	6,118	2,529	3,589	-	3,589
Loans Itaú Bank (Brazil)	BRL	n.a.	2024	31	17	14	-	14
Bancomer loans (Mexico)	USD	n.a.	2023	1,074	368	706	-	706
TOTAL other bank loans and borrowings				**7,275**	**2,966**	**4,308**	**-**	**4,308**
Other financial liabilities:								
Leases (IFRS 16)	€	n.a.	n.a.	22,595	5,137	15,084	2,374	17,458
Non-controlling investors' put options	€	n.a.	n.a.	37,700	-	-	37,700	37,700
Other liabilities (Liabilities vs Cortapedra: Acquisition Labrenta Srl)	€	3.00%	2026	13,852	3,720	10,132	-	10,132
Other liabilities	€	n.a.	n.a.	137	137	-	-	-
TOTAL other financial liabilities				**74,284**	**8,994**	**25,216**	**40,074**	**65,290**
TOTAL				**569,299**	**12,637**	**28,333**	**528,329**	**556,661**

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 June 30, 2023 is shown in the table below:

Credit facility	Available amount ('000)	Amount used at June 30, 2023	Residual available amount at June 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	June 30, 2023
Suppliers	114,795	115,582
Advance payments to suppliers	716	597
Total	**115,511**	**116,180**

(25) Provisions

This caption may be analysed as follows:

CURRENT PROVISIONS:

(€'000)	December 31, 2022	June 30, 2023
Provision for company reorganisations	3,136	2,916
Provision for returns	2,217	2,031
Other provisions	717	621
Total current provisions	**6,070**	**5,568**

The provision for company reorganisations mainly includes:

- €1,513 thousand for the reorganisation of the company in Luxembourg;
- €1,204 thousand for the reorganisation of the company in China;
- €174 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)	June 30, 2023
Opening balance	6,070
Exchange translation effect	(17)
Accruals	243
Utilisations	(728)
Closing current provisions	**5,568**

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

NON-CURRENT PROVISIONS:

(€'000)	December 31, 2022	June 30, 2023
Provision for legal disputes	1,913	1,922
Provision for agents' termination indemnity	166	174
Total non-current provisions	**2,079**	**2,096**

Changes in the provisions are as follows:

(€'000)	June 30, 2023
Opening balance	2,079
Exchange translation effect	(2)
Accruals	162
Utilisations	(144)
Closing non-current provisions	**2,096**

(26) Other current liabilities

This caption may be analysed as follows:

(€'000)	December 31, 2022	June 30, 2023
Amounts due to employees	16,651	16,678
Liabilities for investments	4,934	7,370
Social security charges payable	4,161	3,786
Liabilities for dividends	-	34
Other liabilities	15,345	14,364
Total	**41,091**	**42,233**

(27) Equity attributable to the owners of the parent

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

In addition to the shares, there are 19,367,393 market warrants.

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.

(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 June 30, 2023	Balance at December 31, 2022	Balance at June 30, 2023
Guala Closures Technologia Ukraine LLC	30.0%	30.0%	15,010	17,302
Guala Closures India Pvt Ltd.	5.0%	5.0%	3,215	3,144
Guala Closures de Colombia LTDA	6.8%	6.8%	555	582
Guala Closures Bulgaria A.D.	30.0%	30.0%	3,107	3,489
Guala Closures DGS Poland S.A.	30.0%	30.0%	24,519	24,598
Guala Closures BY LLC	30.0%	30.0%	50	2
Total			**46,457**	**49,117**

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 June 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)

June 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		146,648		**146,648**				-
Financial assets			2,834		**2,834**				-
Cash and cash equivalents	17		84,734		**84,734**				-
		-	**234,216**	-	**234,216**	-	-	-	-
Financial liabilities measured at fair value									
Aluminium derivatives used for hedging		(1,877)			**(1,877)**		(1,877)		-
Aluminium derivatives used for trading		(838)			**(838)**		(838)		**(838)**
MIP		(6,504)			**(6,504)**			(6,504)	**(6,504)**
Non-controlling investors' put options	23	(37,700)			**(37,700)**		-	(37,700)	**(37,700)**
		(46,919)	-	-	**(46,919)**		**(2,715)**	**(44,204)**	**(46,919)**
Financial liabilities not measured at fair value (*)									
Secured bank loans	23			66	**66**		66		**66**
Unsecured bank loans	23			(6,149)	**(6,149)**		(6,149)		**(6,149)**
Secured bond issues	23			(488,932)	**(488,932)**		(440,963)		**(440,963)**
Lease liabilities (IFRS 16)	23			(22,595)	**(22,595)**				-
Trade payables	24			(116,180)	**(116,180)**				-
Liabilities vs Cortapedra: Acquisition Labrenta Srl)	23			(13,852)	**(13,852)**				-
Other financial liabilities	23			(137)	**(137)**				-
		-	-	**(647,779)**	**(647,779)**	-	**(447,046)**	-	**(447,046)**

(*) 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.

(ii) Level 3 fair values

Reconciliation of Level 3 fair values

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

(€'000)	
December 31, 2022	35,260
Included in "financial expense" Net fair value loss (unrealised)	2,440
Balance at June 30, 2023	**37,700**

Sensitivity analysis

Reasonably possible changes at June 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%	849
	(1%)	(887)
Growth rate	1%	(403)
	(1%)	381
Expected date of put option exercise	+ 1 year	3,054
	- 1 year	(3,428)

(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 June 30, 2023	Payables at June 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	580	4,300	317	17	**5,215**	3	4,369	2,125

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

Organization

In July 2023, the Group appointed three Senior management position: Luca Mammola as Chief Financial Officer (Claudia Banfi will become Deputy Chief Financial Officer), Andrea Cappelletto as Managing Director of Labrenta (Gianni and Amerigo Tagliapietra will become 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.

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

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 is still subject to several conditions and it is expected to have no material impact on the Group structure.

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

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.

On behalf of the board of directors
Chairman and CEO
Gabriele Del Torchio

September 12, 2023