Guala Closures

FIRST QUARTER REPORT
2024

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

1Q 2024 GROUP HIGHLIGHTS

1954 Establishment	**33** Production sites	**>5,000** Employees	**184M €** Turnover Q1 2024	**7** R&D Centres UK, Ukraine, Bulgaria, China, Mexico and 2 in Italy
3.6bn Closures per Q1 2024	**300+** Closure models	**3** Product lines: safety, luxury and roll-on	**210+** Active intellectual property rights	**100** Countries where we have strong customer partnerships

1Q 2024 NET REVENUE BY GEOGRAPHICAL SEGMENT

EUROPE	AMERICAS	ASIA	OCEANIA	AFRICA	GROUP
€99.1m	€46.1m	€26.0m	€8.1m	€5.0m	€184.3m
53.7%	*25.0%*	*14.1%*	*4.4%*	*2.7%*	*100.0%*

1Q 2024 NET REVENUE BY PRODUCT

SAFETY	LUXURY	ROLL-ON	OTHER REVENUE	GROUP
€58.8m	€20.8m	€89.6m	€15.1m	€184.3m
31.9%	*11.3%*	*48.6%*	*8.2%*	*100.0%*

1Q 2024 NET REVENUE BY DESTINATION

SPIRITS	WINE	WATER	NON-ALC. BEVERAGES	OLIVE OIL & CONDIMENTS	OTHER MARKETS	GROUP
€117.9m	€31.0m	€16.0m	€5.8m	€4.0m	€9.6m	€184.3m

COMPANY OFFICERS

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

Contents

GENERAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

OTHER INFORMATION

DIRECTORS’ REPORT

GUALA CLOSURES GROUP

1.1 INTRODUCTION

€ 184.3m
1Q24 NET REVENUE

SALES NETWORK
IN OVER 100
COUNTRIES

Around 4 BILLION
CLOSURES
PRODUCED IN 1Q 2024

3 PRODUCT
CATEGORIES

OVER
210 INTELLECTUAL
PROPERTY RIGHTS

33 PRODUCTION
PLANTS &
1 SALES OFFICE

> 5,000
EMPLOYEES
AROUND THE WORLD

The Guala Closures Group is a global leader in the production of closures for spirits, wine, water, edible oil and a wide range of other beverages.

In the first quarter 2024, the Group sold around 3.6 billion closures across its 3 product lines (safety, luxury, roll-on) and across 5 destination markets (spirits, wine, water, other non-alcoholic beverages, edible oil & condiments).

A Guala Closures' closure is designed both to promote the brand of its customers and to protect it in all markets, using cutting-edge solutions. This is why its closures are constantly evolving, adopting the latest and most advanced technologies to provide the best possible solutions.

Since they are made to measure, they are unique, designed and created according to the needs of the individual customer.

Thanks to the experience and know-how of its R&D Centres, the Group develops innovative solutions that meet the required expectations and specifications, while ensuring the highest quality and safety standards.

Its products are manufactured using a wide range of materials, from aluminium to wood and special polymers. These materials combine the technical performance necessary to achieve their levels of quality and safety. They also meet the increasing demands for sustainable solutions, where they have attained a leading position, recognised in all markets.

All raw materials comply with food contact regulations in Europe, the United States (FDA) and the countries where closures are produced and sold.

Vision and mission

Guala Closures produces closures that offer innovation, protection, safety and convenience to consumers while enhancing the customer's brand.

The Group understands and embraces clients' goals as its own, applying creativity, experience, integrity and dedication to deliver world-class closures and solutions, while reducing its environmental impact on society.

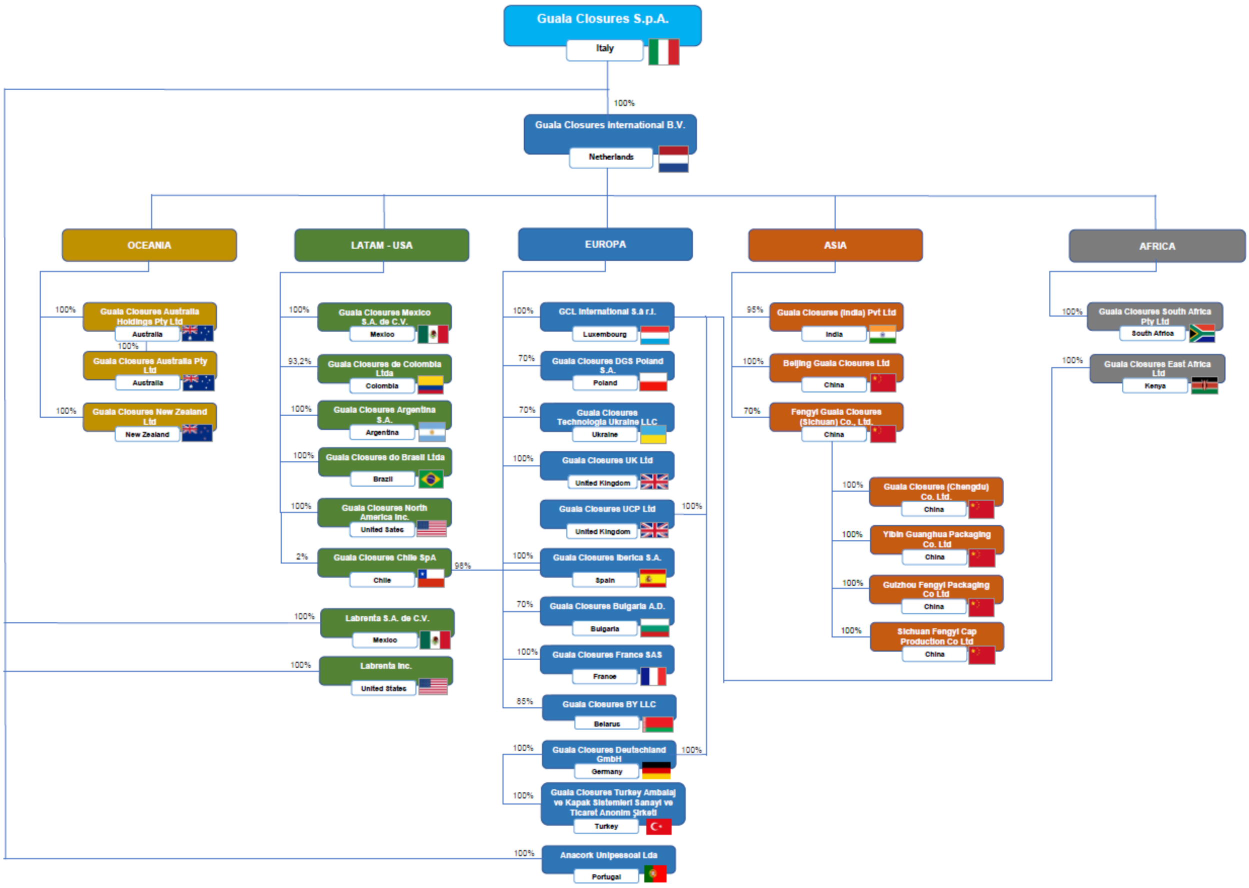
The pillars that guide group's vision and mission

- **EXCELLENCE:** the group works to provide the best possible products and services, aiming to make our customer's brands stand out.
- **SUSTAINABILITY:** Guala Closures is committed to promoting the goal of continuous and constant sustainable development in all companies within the group, in order to contribute to growth that respects the environment, the society and the economy.

1.2 THE GROUP STRUCTURE

The Guala Closures Group, owned by the operational company Guala Closures S.p.A., operates on 5 continents.

The following chart illustrates the Group structure at March 31, 2024 (companies consolidated on a line-by-line basis):

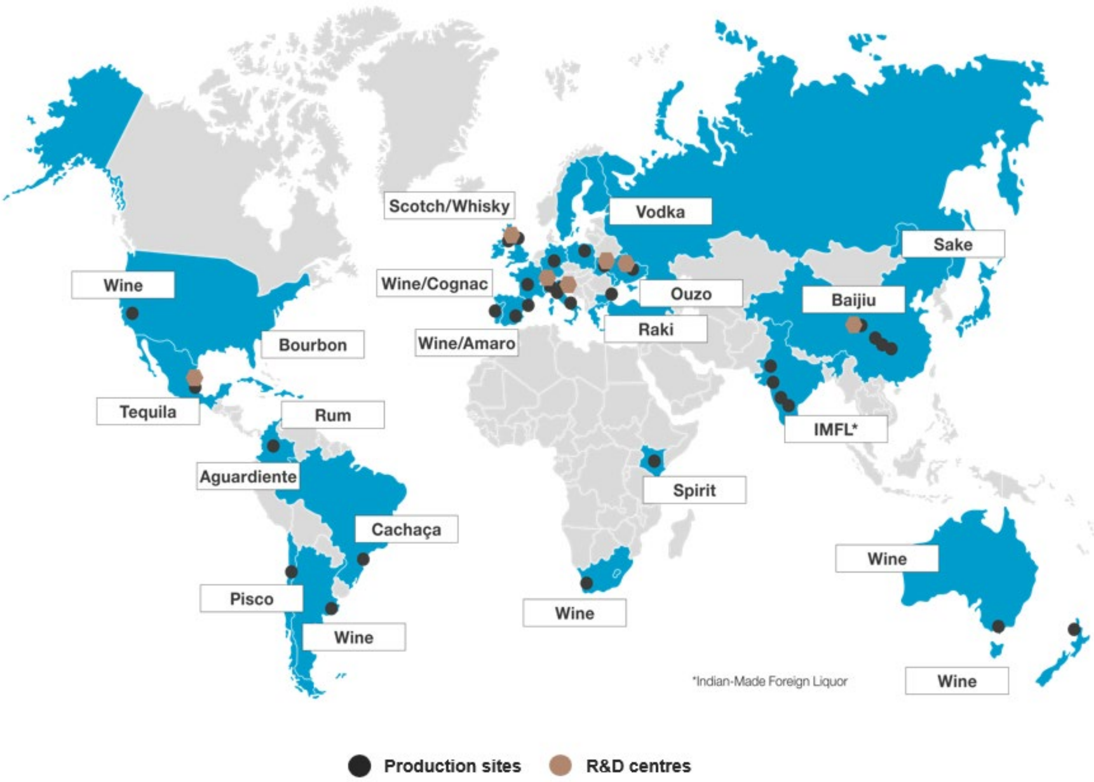


The Group structure changed in the first quarter 2024 as follows:

- On December 27, 2023 was signed the deed of merger of Labrenta into Guala Closures S.p.A. and the merger became effective from January 1, 2024. We remember that on October 16, 2023 was approved the merger of Labrenta into Guala Closures S.p.A. by the Boards of Directors of Guala Closures S.p.A. and Labrenta S.r.l. and on October 19, 2023 was approved by the extraordinary shareholder meeting of Guala Closures S.p.A. and the shareholder meeting of Labrenta.

1.3 INTERNATIONAL FOOTPRINT

The Guala Closures Group is a multinational Group with 33 facilities and 7 research and innovation centres (in the United Kingdom, Ukraine, Bulgaria, Mexico, China and 2 in Italy).



1.4 PRODUCT LINES AND DESTINATION MARKETS

In 2024, the Group produced and sold around 3.6 billion closures in three product lines across five destination markets

Product lines:

Safety closures:

From the simplest “tamper-evident” technologies to the most complex valve systems, Guala Closures is able to design and produce safety closures that minimize the risk of counterfeiting.

Luxury closures:

They represent the true excellence in the quality of spirits bottle closures. Carefully designed to enhance the distinctive identity of each brand, these unique closures embody aesthetics, design and functionality, thanks to the combination of fine materials and cutting-edge production technologies, for an unparalleled visual impact.

Roll-on:

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

Destination markets:

Spirits:

Thanks to a considerable experience in the sector Guala Closures is able to offer customers a wide range of solutions which are able to respond to the specific needs of each brand and product. From simple closures to the most complex multi-material designs, these can be tailored specifically to a single brand, satisfying the most challenging requests.

Wine:

With screw-on aluminium closures, wine is more stable over time and its delicate balance is not compromised during transport. Guala Closures screwcaps also make it easier to open and re-seal the bottle and feature liners that keep the oxidation of the wine in check, so that 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 standard or tamper-resistant security seals that enables recognition of the first opening of the bottle, guaranteeing product security.

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 designs to enhance the brand image.

Edible oil & condiments:

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

1.5 RESEARCH AND INNOVATION

The first quarter of 2024 has been characterized by a stable rhythm of work by all the R&D Centres; at the end of the quarter we had active in the R&D structure more than 200 new designs, few with strong innovative contents and others developed for dedicated brands; the luxury segment remains the most targeted with more than 65% of the total projects, large part of them putting together luxury design and sustainable structures, but more and more protection and security are becoming important elements in areas where counterfeiting has reached dangerous dimensions.

The first quarter of 2024 has seen more than 50 new designs entering into production in our plants, and this despite a general slow down of the world economy, witnessing the leadership in the luxury market segment of our Group. Also, the integration and joined work of the Chinese R&D Center is bringing a steady growth in such an important market, with more than 15 new ongoing developments in closures and 6 new products gone in production in the first months of the new year. The R&D activity in China is now integrated into the larger existing R&D and is becoming an important innovation hub for all the Chinese customers.

Important innovative projects are going on, mainly in the two Italian and Scottish R&D Centres, focusing on new trends coming from the markets and mainly addressed to new legislative indications that are creating future opportunities for new closures and new materials: lowering the impact of the products on the environment, when producing it and when managing their end-of-life, and pushing re-use and recyclability are strong addresses for the new designs.

In the security field, important projects addressing strong technological barriers to counterfeiting and authentication made by brands and consumers are going on; the request of such solutions is steadily growing in particular markets where counterfeiting has grown, mainly after the pandemic and also through the growth of the e-commerce.

The R&D perspective for the Group remains strong, with a clear new products roadmap for the next years.

1.6 SUSTAINABILITY

The start of 2024 confirmed the commitment of the Guala Closures Group to sustainability. During the first quarter, the activities consolidated 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 in 1Q our Scope 1 and 2 emissions by 14,8% versus the same period of 2023. Moreover, the renewable electrical energy used in the group increased to 56% from 51% in 2023. In the first quarter a solar field with a capacity of 3.2MWh has started near the Indian plant in Goa and it will cover more than 20% of its needs.

Certifications and ratings:
In February, through an audit Bureau Veritas verified that our 2023 emissions Scope 1, 2 & 3 have been properly calculated in accordance with the GHG Protocol. During the first quarter the Italian plant of Magenta, Spinetta Marengo and Termoli achieved the ISO50001 certification (Energy management systems). In January, the B rating on climate change by CDP (Carbon Disclosure Project), has been confirmed for the year 2023.

Reporting:
The Sustainability Report 2023, approved by the Board of Directors held on 16 April 2024, is prepared 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 Report is subject to a limited assurance engagement performed by PwC.

Governance:
In the first quarter the Sustainability Board has been renewed to better meet the new challenges and to be prepared to the new CSRD.

Financial Performance

1.7 GROUP PERFORMANCE

Key figures

(€m)	**1Q 2023**	**1Q 2024**	*% variation*
Net revenue	**221.3**	**184.3**	*(16.7)%*
Adjusted gross operating profit (Adjusted EBITDA)[1]	**44.3**	**38.3**	*(13.6)%*
Adjusted gross operating profit (Adjusted EBITDA)[1] *margin*	*20.0%*	*20.8%*	
Employees		5,032	
Facilities: 33 production facilities and 1 sales office 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.

Net revenue in the first quarter 2024 decreased by 16.7% compared to the first quarter 2023. In general, we notice a reduction coming from lack of demand and destocking. Consequently, this has impacted on the average price in order to support the sales.

Notwithstanding the decrease in revenue, Adjusted EBITDA margin is substantially in line with the same period of 2023 with an increase of 0.8 percentage points from 20.0% to 20.8%.

Significant events of the period

The main events which affected the Guala Closures Group in 1Q 2024 are summarised below:

BUSINESS:

- **Merger of Labrenta S.r.l. into Guala Closures S.p.A.**

On October 16, 2023 was approved the merger of Labrenta into Guala Closures S.p.A. by the Boards of Directors of Guala Closures S.p.A. and Labrenta S.r.l. and on October 19, 2023 was approved by the extraordinary shareholder meeting of Guala Closures S.p.A. and the shareholder meeting of Labrenta.

The deed of merger was signed on December 27, 2023 and the merger was effective from January 1, 2024.

Following the completion in 4Q 2023 of the Purchase price allocation of the net assets acquired of Labrenta, the comparative figures for 1Q 2023 have been restated to reflect the D&A and the related tax effect.

- **Inauguration of the Gulin Plant**

At the end of January 2024 took place the opening ceremony of the Gulin plant, which has become the fourth productive plant of the Group in China.

Such plant is particularly strategic, being located within an industrial park where one of the main baijiu payers is present.

- **Addendum to the Share Purchase Agreement for the acquisition of Fengyi**

Pursuant to the Share Purchase Agreement executed on July 25, 2023, the buyer was supposed to deliver to the sellers within 90 (ninety) business days from closing, a pro-forma consolidated statement of accounts of the Chinese Companies as of the closing date together with the determination, of (i) the final net financial position, and (ii) the final working capital.

By means of the addendum signed on March 15, 2024, the parties agreed to postpone the term for the delivery of the aforementioned documentations to April 30, 2024 and subsequently postponed as described in note (32) Events after the reporting period.

Russia – Ukraine conflict

The Group is continuously monitoring the conflict which started in February 2022, actively working to optimize the organization of production and logistic. No business interruption occurred in 2023 and in the first months of 2024 and no impact on customers service, 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 the second half 2022 moved a part of its production lines to a satellite plant located in the city of Ternopil, near the Polish Border, where the company employs around 100 people.

GC Ukraine still has to comply with certain administrative restrictions on currency conversion transactions and payments abroad adopted by the National Bank of Ukraine and transactions with Russian and Belarussian-based companies are forbidden. These restrictions do not apply to aluminium importation.

The current sanctions adopted by the EU and the USA against Russia are currently not significantly impacting our business.

In the near-term, the ongoing and persistent geopolitical uncertainty, primarily stemming from the conflicts in Russia-Ukraine conflict and more recently the conflict in the Middle East, remains a risk factor in the global economic landscape. The Group constantly monitors developments in the global geopolitical environment that could require a review of the current corporate strategies and/or the introduction of measures to safeguard its competitive positioning and performance. In addition, the Group constantly monitors and assesses the markets in which it operates, as well as customers' behavioural patterns.

GC Belarus is a dormant entity since the outbreak of war.

Israel – Palestine conflict

The ongoing conflict between Israel and Palestine has no significant impact on the Guala Closures Group's business.

The main effect of this event, if any, is identified among transfer costs to and from the Red Sea, which may be slowed.

FINANCIAL PERFORMANCE

ANALYSIS OF THE FINANCIAL PERFORMANCE

The table below summarises the financial performance of the Guala Closures Group for the first quarter 2024 and 2023.

Statement of profit or loss	**1Q 2023 (*)**		**1Q 2024**	
	(€'000)	*% of net revenue*	*(€'000)*	*% of net revenue*
Net revenue	**221,292**	*100.0%*	**184,255**	*100.0%*
Change in finished goods and semi-finished products	7,168	*3.2%*	7,132	*3.9%*
Other operating income	766	*0.3%*	3,010	*1.6%*
Internal work capitalised	1,895	*0.9%*	1,439	*0.8%*
Costs for raw materials	(103,814)	*(46.9%)*	(83,405)	*(45.3%)*
Costs for services	(41,495)	*(18.8%)*	(36,819)	*(20.0%)*
Personnel expense	(40,202)	*(18.2%)*	(39,183)	*(21.3%)*
Other operating expense	(2,390)	*(1.1%)*	(1,919)	*(1.0%)*
Impairment losses	(0)	*(0.0%)*	0	*0.0%*
Gross operating profit (EBITDA)	**43,220**	*19.5%*	**34,510**	*18.7%*
Amortisation and depreciation	(13,273)	*(6.0%)*	(12,105)	*(6.6%)*
Operating profit (EBIT)	**29,948**	*13.5%*	**22,405**	*12.2%*
Financial income	4,135	*1.9%*	11,489	*6.2%*
Financial expense	(14,857)	*(6.7%)*	(18,799)	*(10.2%)*
Net financial expense	**(10,722)**	*(4.8%)*	**(7,310)**	*(4.0%)*
Profit before taxation	**19,226**	*8.7%*	**15,095**	*8.2%*
Income taxes	(5,857)	*(2.6%)*	(5,910)	*(3.2%)*
Profit for the period	**13,369**	*6.0%*	**9,185**	*5.0%*
Attributable to:				
- the owners of the parent	9,671	*4.4%*	6,254	*3.4%*
- non-controlling interests	3,698	*1.7%*	2,931	*1.6%*
Adjusted gross operating profit (Adjusted EBITDA)	**44,336**	*20.0%*	**38,308**	*20.8%*

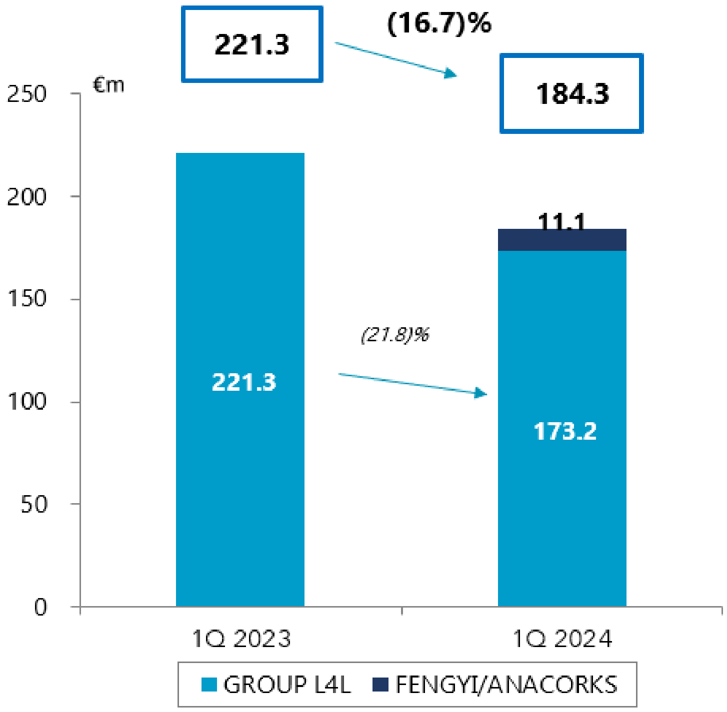
Note:

For information on the calculation of the adjusted gross operating profit reference should be made to page 33.

(*) The 1Q 2023 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

NET REVENUE

The following chart illustrates the the first quarter 2024 trend in revenue compared to the same period of 2023.



GROUP L4L without Anacorks and FengYi

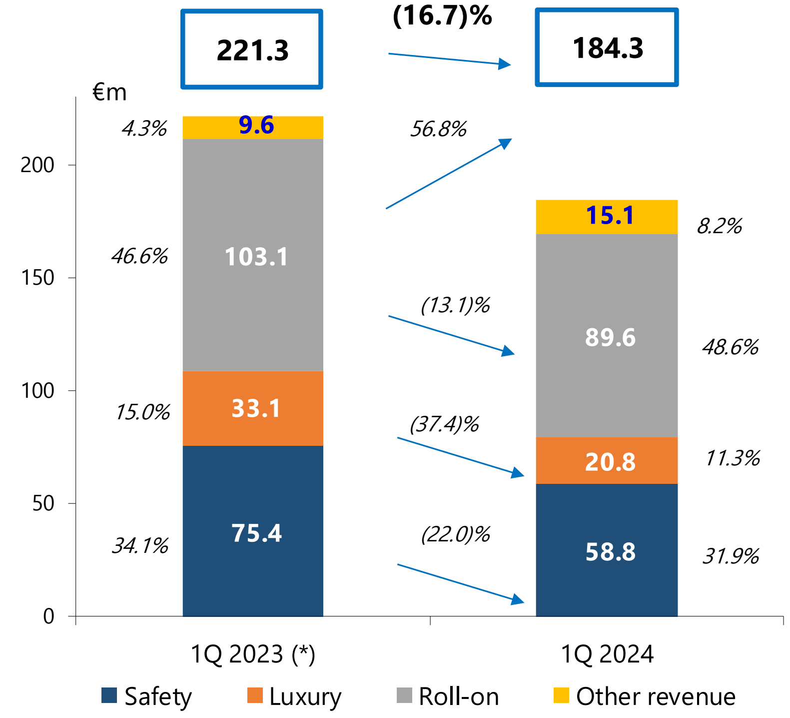
In the first quarter 2024, consolidated net revenue was €184.3 million, down €37 million (-16.7%) compared to the first quarter 2023, mainly due to lower quantities sold.

The organic reduction of €48.1 million (-21.8%) (excluding first quarter 2024 revenues coming from Anacorks of €0.9 million and from Group FengYi of €10.2 million) is mainly due to the decrease in safety segment.

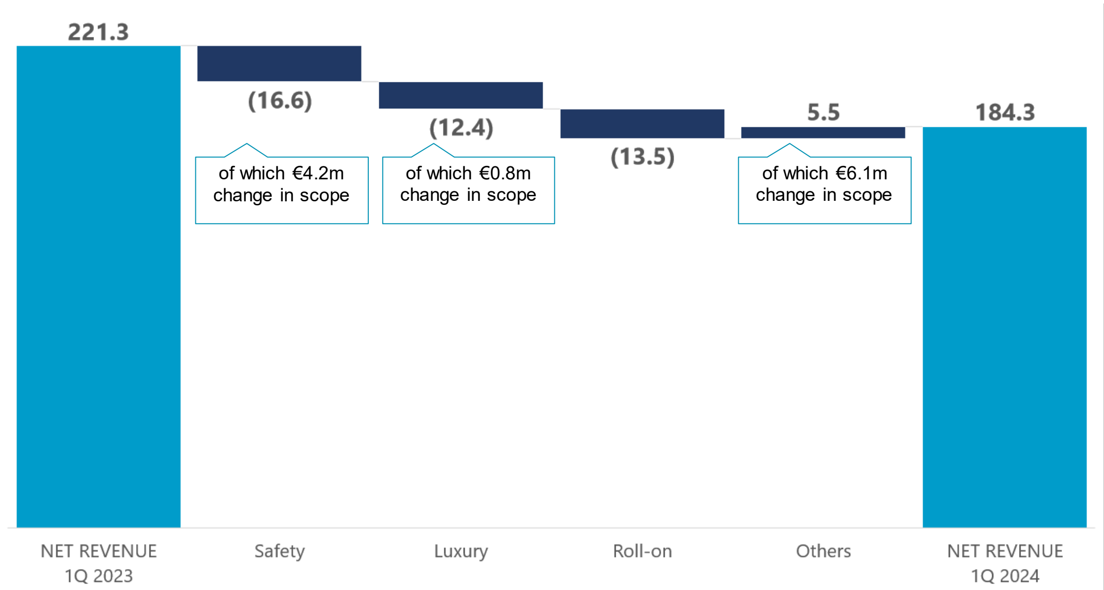
In the first quarter 2024, there is one customer that generated over 10% of revenue: approx. €22 million (roughly 12% of net revenue).

NET REVENUE BY PRODUCT

The following graphs give a breakdown of and changes in net revenue by product versus the first quarter of 2023:



(*) The 1Q 2023 figures have been restated to be consistent with 1Q 2024 classification

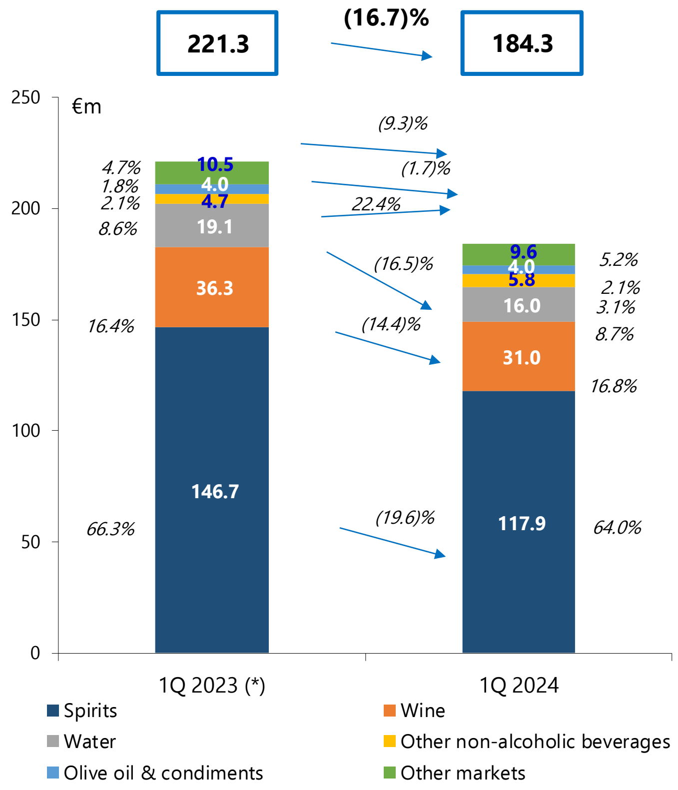


The change in scope includes first quarter 2024 revenues coming from Anacorks acquisition (€0.9 million) and from Group FengYi acquisition (€10.2 million).

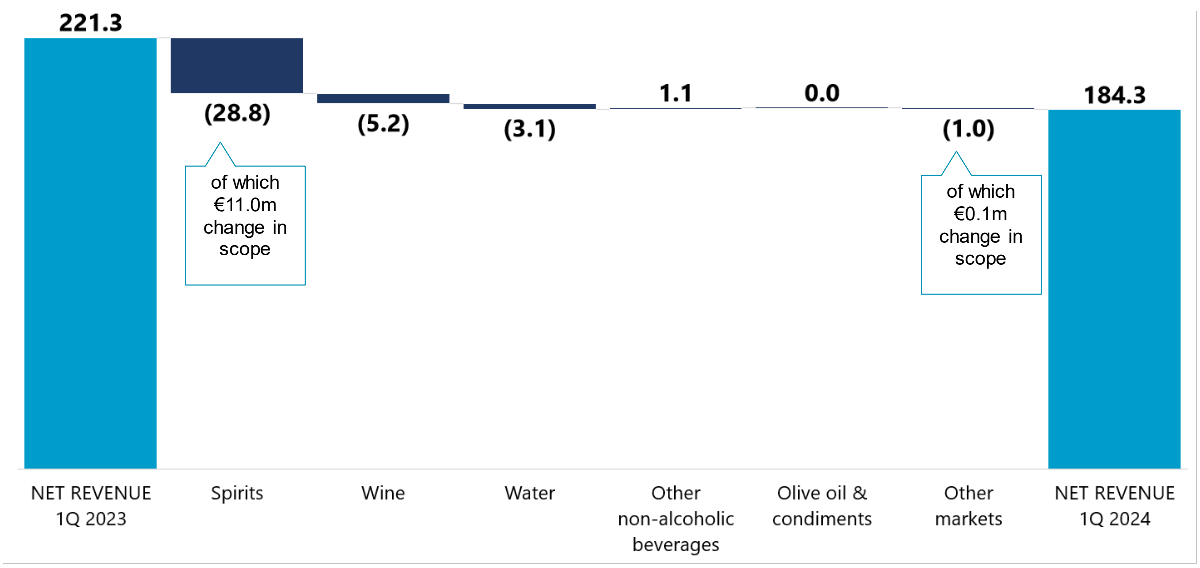
Evolution of revenue was impacted by destocking and market slowdown, which mainly impacted the Safety, Roll-on and Luxury product lines. Other revenue includes sales of products not classified in the three standard categories and sales of components and scraps.

NET REVENUE BY DESTINATION MARKET

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



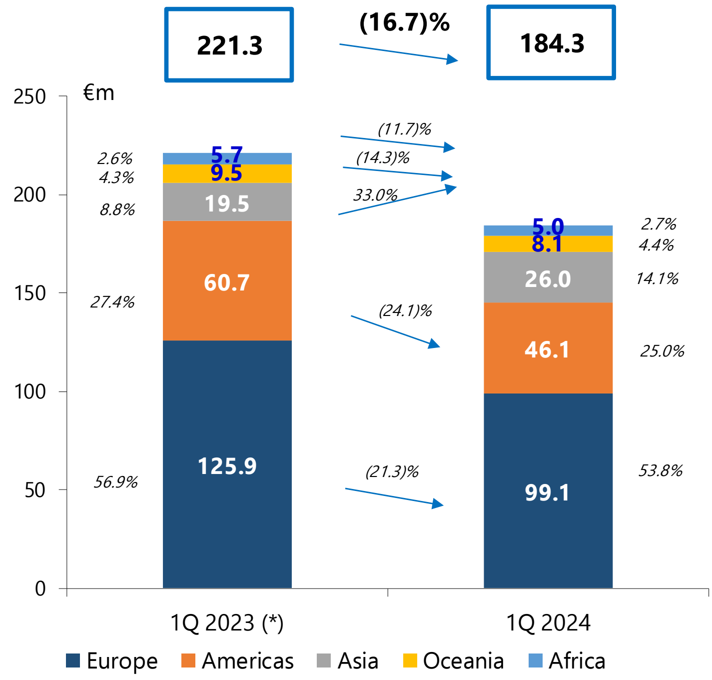
(*) The 1Q 2023 figures have been restated to be consistent with 1Q 2024 classification



Distinction between Water and Other non-alcoholic beverages should be taken as indicative.

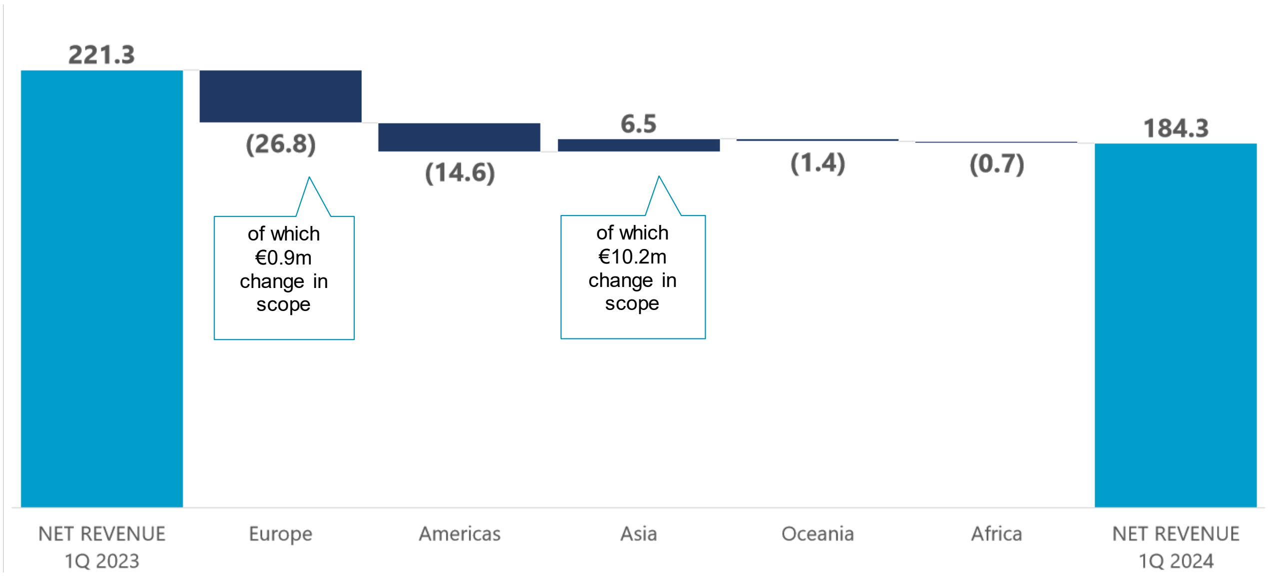
NET REVENUE BY GEOGRAPHICAL SEGMENT

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



(*) The 1Q 2023 figures have been restated to be consistent with 1Q 2024 classification

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



Revenue decrease was stronger in Europe. Net revenue from operations decreased by €26.8 million from €125.9 million in the first quarter 2023 (56.1% of net revenue) to €99.1 million in the first quarter 2024 (53.8% of net revenue).

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

OTHER OPERATING INCOME

Other operating income is mainly composed by government grants and other recoveries. The amount (€3.0 million in the first quarter 2024) increased by €2.2 million compared to the first quarter 2023 mainly due to provision release.

INTERNAL WORK CAPITALISED

This caption decreased by €0.5 million from €1.9 million in the first quarter 2023 (0.9% of net revenue) to €1.4 million in the first quarter 2024 (0.8%). Internal work capitalised includes capitalised development expenditure and internal personnel expense for extraordinary maintenance on property, plant and equipment and increases of internal resources dedicated to SAP implementation.

COSTS FOR RAW MATERIALS

Costs for raw materials decreased by €20.4 million from €103.8 million in the first quarter 2023 (46.9% of net revenue) to €83.4 million in the first quarter 2024 (45.3%) mainly due to direct consequence of lower sale and production volumes.

COSTS FOR SERVICES

Costs for services decreased by €4.7 million from €41.5 million in in the first quarter 2023 (18.8% of net revenue) to €36.8 million in the first quarter 2024 (20.0%). Compared to first quarter 2023, the decrease is mainly due to lower utilities costs, both energy and gas.

PERSONNEL EXPENSE

Personnel expense decreased by €1.0 million from €40.2 million in the first quarter 2023 to €39.2 million in the first quarter 2024.

OTHER OPERATING EXPENSE

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

(€'000)	First quarter 2023	2024	diff.
Accruals to provisions	184	66	(118)
Taxes and duties	674	454	(220)
Use of third-party assets	573	656	83
Impairment losses on trade receivables and contract assets	64	23	(41)
Other charges	896	720	(176)
Total	**2,390**	**1,919**	**(471)**

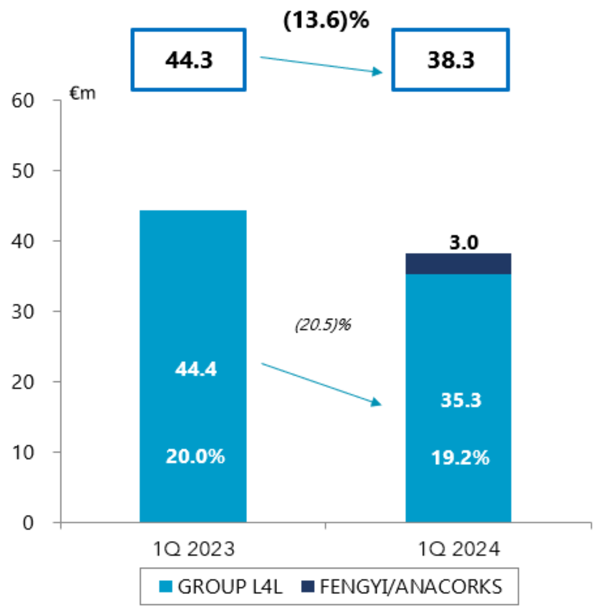
Other operating expense decreased by €0.5 million from €2.4 million in the first quarter 2023 (1.1% of net revenue) to €1.9 million in the first quarter 2024 (1.0% of net revenue).

ADJUSTED GROSS OPERATING PROFIT

In the first quarter 2024, the reported adjusted gross operating profit (adjusted EBITDA) amounts to €38.3 million, down €6.0 million (-13.6%) on the first quarter 2023 (€44.3 million). Fengyi and Anacorks positively contributed for €3.0 million.

The adjusted gross operating profit margin increased from 20.0% of net revenue in the first quarter 2023 to 20.8% in the first quarter 2024.

The following chart illustrates the first quarter 2024 trend in adjusted EBITDA compared to first quarter 2023:



Note: *The percentages shown in the boxes indicate the adjusted gross operating profit (adjusted EBITDA) as a percentage of net revenue.*

AMORTISATION AND DEPRECIATION

Amortisation and depreciation decreased by €1.2 million from €13.3 million in the first quarter 2023 (6.0% of net revenue) to €12.1 million (6.6%). The first quarter 2023 figures have been restated following the finalization of the purchase price allocation procedure for Labrenta.

OPERATING PROFIT

In the first quarter 2024, the reported operating profit (EBIT) is €22.4 million, down €7.5 million (-25.2%) on the first quarter 2023 (€29.9 million). Adjusted operating profit in the first quarter 2024 would be €26.2 million compared to €31.3 million in the first quarter 2023.

FINANCIAL INCOME AND EXPENSE

The following table breaks down financial income and expense by nature in the first quarter 2023 and 2024:

	First quarter		
(€'000)	**2023**	**2024**	**diff.**
Net interest expense	(4,707)	(11,371)	(6,664)
Net exchange gains/(losses)	(4,284)	1,022	5,306
Net fair value gains/(losses) on financial liabilities to non-controlling investors	(1,140)	2,275	3,415
Other net financial income/(expense)	(590)	763	1,354
Net financial expense	**(10,722)**	**(7,310)**	**3,411**

Net financial expenses decreased by €3.4 million from €10.7 million in the first quarter 2023 to €7.3 million in the first quarter 2024.

Such decrease is mainly due to the €5.3 million positive impact of exchange rate (a loss of €4.3 million in the first quarter 2023 versus a gain of €1.0 million in the first quarter 2024), the €3.4 million positive effect of higher change in fair value of financial liabilities to non controlling investors (negative impact of €1.1 million in the first quarter 2023 versus a positive impact of €2.3 million in the first quarter 2024), the €1.4 million positive effects of the other net financial income/(expense), partially compensated by negative impact of €6.7 million from interest expense for the bond issued in 2023.

INCOME TAXES

The following table compares the income taxes in the first quarter 2023 and 2024:

	First quarter		
(€'000)	**2023 (*)**	**2024**	**diff.**
Current taxes	(7,857)	(6,023)	1,834
Deferred taxes	2,000	113	(1,887)
Total income taxes	**(5,857)**	**(5,910)**	**(53)**

(*) The first quarter 2023 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

PROFIT FOR THE PERIOD

The profit for the first quarter 2024 amounts to €9.2 million, down €4.2 million on the profit of €13.4 million for the first quarter 2023.

The decrease in the first quarter 2024 is mainly due to the decrease in in the gross operating profit (EBITDA) (€8.7million), partially compensated by the reduction in amortisation and depreciation (€1.2 million) and the decrease in net financial expense (€3.4 million).

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

The following table shows the reclassified financial position of the Guala Closures Group as at March 31, 2024 with comparative figures as at December 31, 2023:

(€'000)	December, 31 2023	March 31, 2024
Intangible assets	855,727	855,837
Property, plant and equipment	260,949	273,090
Right-of-use assets	20,439	22,557
Net working capital	154,234	164,784
Net derivative assets/(liabilities)	(6,867)	(3,694)
Employee benefits	(8,545)	(8,131)
Other net liabilities	(87,292)	(100,078)
Net invested capital	**1,188,645**	**1,204,364**
Financed by:		
Net financial liabilities	857,511	862,186
Financial liabilities - Lease	21,367	22,711
Financial liabilities - non-controlling investors	45,210	42,936
Cash and cash equivalents	(196,280)	(197,680)
Net financial indebtedness	**727,808**	**730,152**
Equity	460,837	474,212
Sources of financing	**1,188,645**	**1,204,364**

INTANGIBLE ASSETS

Intangible assets substantially in line compared to December 31, 2023. The amortisation of the period (€3.5 million) has been offset by the net increase of the period (€2.1 million) and the positive translation impact (€1.3 million).

PROPERTY, PLANT AND EQUIPMENT

The €12.1 million increase in property, plant and equipment compared to December 31, 2023, is mainly due to the net investments of the period (€16.1 million), the positive translation impact (€3.2 million), partially offset by the depreciation of the period (€6.7 million).

Capital expenditure in the first quarter 2024, totalling €16.1 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 UK, Italy, Spain, India, and Mexico.

RIGHT-OF-USE ASSETS

At March 31, 2024, right-of-use assets amount to €22.6 million and mainly relate to the leases of the facilities where the group operates. The main increases relate to GC Iberica (€1.8 million) and GC Italy (€1.3 million), partially compensated by depreciation of the period (€1.9 million).

NET WORKING CAPITAL

The table below provides a breakdown of net working capital:

(€'000)	December 31, 2023	March 31, 2024
Inventories	124,354	134,703
Trade receivables	126,077	130,234
Trade payables	(96,196)	(100,153)
Net working capital (*)	**154,234**	**164,784**

(*) These figures do not match those used to calculate the change in working capital in the statement of cash flows for the period as those amounts have been adjusted to reflect changes in exchange rates on the opening balances.

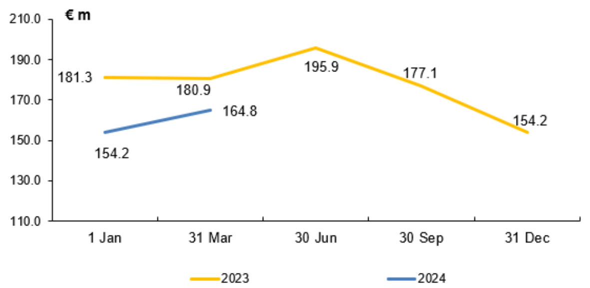
The above net working capital includes certain reclassifications compared to the consolidated format. A reconciliation schedule is attached as Annex B) to this report.

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

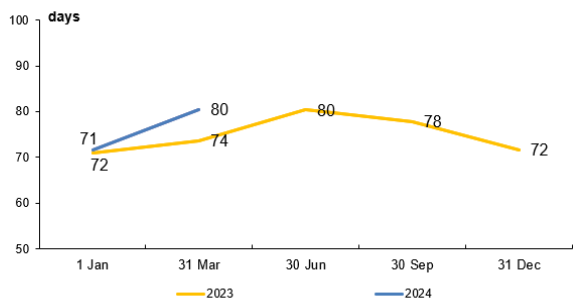
Days	December 31, 2023	March 31, 2024
Inventories	58	66
Trade receivables	59	64
Trade payables	(45)	(49)
Net working capital days	**72**	**80**

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

VALUE



DAYS



Net working capital at March 31, 2024 amounted to €164.8 million, with a decrease of €10.5 million compared to December 31, 2023. Compared to March 31, 2023 it decreased by €13.8 million due to lower volumes. Net working capital days in the first quarter 2024 were higher than first quarter 2023 mainly due to longer days in trade receivables and inventories.

OTHER NET LIABILITIES

The table below shows a breakdown of other net liabilities:

(€'000)	December 31, 2023	March 31, 2024
Deferred tax assets	20,129	16,815
Deferred tax liabilities	(53,497)	(50,700)
Net DTA/(DTL)	**(33,368)**	**(33,885)**
Payables to employees and social security	(22,257)	(20,072)
Provisions	(12,572)	(12,130)
Liabilities for dividends	(276)	(2,983)
Liabilities for investments	(9,048)	(7,801)
Other net liabilities	(9,773)	(23,207)
Total net other liabilities	**(87,292)**	**(100,078)**

Other net liabilities for the first quarter 2024 amounts to €100.1 million, up €14.6 million compared to €87.3 million in December 31,2023.

The increase in the first quarter 2024 in other net liabilities (€13.9 million) is mainly due to collection of the insurance reimbursement accrued in December 2023 for the incident occurred in Magenta plant.

The reduction in payables to employees and social security (€2.1 million) is mainly due to the payment made for a settlement with a senior manager.

EQUITY

The table below shows a breakdown of equity:

(€'000)	December 31, 2023	March 31, 2024
Equity attributable to the owners of the parent	408,012	421,143
Equity attributable to non-controlling interests	52,826	53,070
	460,837	**474,212**

The increase in equity is mainly due to profit of the period (€ 9.2 million) partially offset by dividend distribution for €2.6 million. 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, 2023	March 31, 2024
Net financial liabilities - third parties	857,512	862,186
Financial liabilities - Lease	21,367	22,711
Financial liabilities - non-controlling investors	45,210	42,936
Cash and cash equivalents	(196,280)	(197,680)
Net financial indebtedness	**727,808**	**730,152**

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

In the first quarter 2024, net financial indebtedness increased by €2.3 million mainly as the result of cash flows generated by operating activities (€31.3 million), partially offset by the cash flows used in investing activities (€19.2 million) and in financing activities (€14.3 million).

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

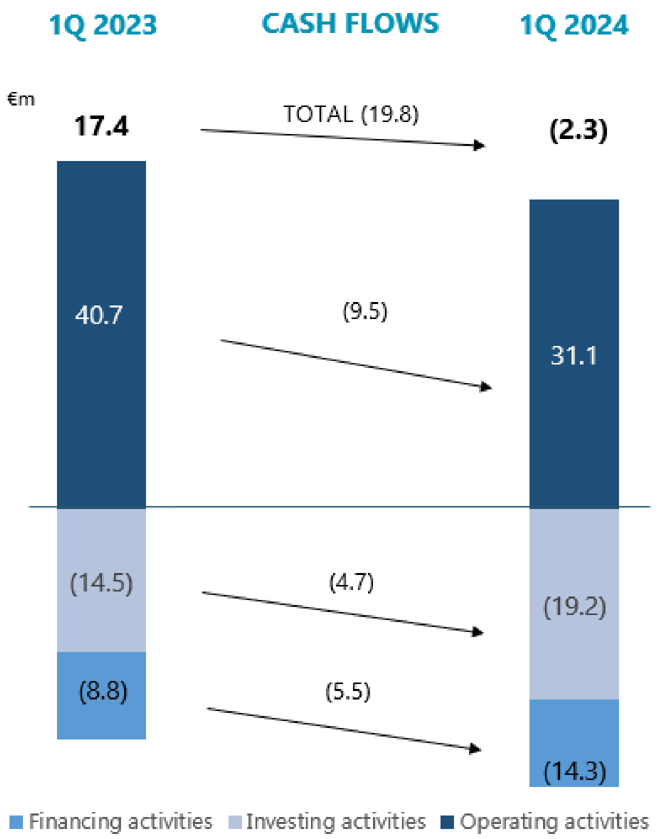
The reclassified statement of changes in net financial indebtedness for the first quarter 2024, compared with the first 2023, is given below.

(€'000)	**1Q 2023 (*)**	**1Q 2024**
A) Opening net financial indebtedness	**(482,787)**	**(727,808)**
Gross operating profit	43,220	34,510
Net gains on sale of non-current assets	(87)	(8)
Change in net working capital	3,048	(8,903)
Other operating items	586	12,812
Taxes	(6,102)	(7,279)
B) Net cash flows from operating activities	**40,665**	**31,133**
Capex	(14,478)	(19,203)
C) Cash flows used in investing activities	**(14,478)**	**(19,203)**
Increases in right-of-use assets	(1,686)	(3,470)
Transaction costs not yet paid/(paid) on Bond issued in 2023	-	(1,618)
Net interest expense	(5,297)	(12,753)
Dividends paid	-	(54)
Change in financial liabilities for put options	(1,140)	2,275
Other financial items	292	2,724
Effect of exchange fluctuation	(923)	(1,377)
D) Change in net financial indebtedness due to financing activities	**(8,755)**	**(14,273)**
E) Total change in net financial indebtedness (B+C+D)	**17,432**	**(2,344)**
F) Closing net financial indebtedness (A+E)	**(465,355)**	**(730,152)**

(*) The first quarter 2023 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

***Note:** 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 consolidated financial statements.*

The following chart gives a breakdown of the change in net financial indebtedness, detailing the various items in in the first quarter 2024, compared to the first quarter 2023:



Net cash flows from operating activities

Net cash flows from operating activities totalled €31.1 million, down €9.5 million on the first quarter 2023 (€40.7 million) due to the decrease in the gross operating profit (EBITDA) (€8.7 million compared to the first quarter 2023), negative change in net working capital (€11.9 million) and higher cash out for taxes (€1.2 million), partially offset by higher other operating items (€12.2 million) mainly related to insurance reimbursement received for the damage of a Magenta's lithography line due to damages caused by the fire occurred in 2022.

Cash flows used in investing activities

Cash flows used in investing activities are €19.2 million, up €4.7 million on the first quarter 2023 (€14.5 million).

Such increase is mainly due to higher capital expenditure due to higher growth investments made in the first quarter 2024 in UK for the new single plant, the capacity expansion in Mexico, Spain, India and new capacity in Italy.

Change in net financial indebtedness due to financing activities

The change in net financial indebtedness due to financing activities in the first quarter 2024 amounts to €-14.3 million, up €5.5 million on the first quarter 2023 (€8.8 million).

Such increase refers to the following main negative effects:

- Higher net interest expense (€7.5 million);
- Higher transaction costs paid on bond issued in 2023 (€1.6 million);
- increase in right-of-use assets (€1.8 million);
- increase in effect of exchange rate fluctuation (€0.5 million);

partially offset by the following positive factors:

- fair value gain on non-controlling investors' put options (due to negative impact of €1.1 million in the first quarter 2023 versus a positive impact of €2.3 million in the first quarter 2024);
- increase in other financial items (€2.7 million) mainly due to foreign operations in hyperinflationary economies.

Current trading and outlook

Looking ahead, we currently foresee that the soft market conditions will continue throughout H1 2024, after which we expect a gradual recovery.

In the meantime, Guala Closures Group will continue to focus on the following key areas:

- Business development to drive growth and innovation, combined with the acquisition of new customers to broaden our market reach;
- Expansion of luxury segment enhancing our product offerings in premium markets;
- Full integration of Fengyi to leverage synergies and enhance our market position in China;
- Expansion in emerging markets once completed the acquisition of Astir and focus on smoothly and fully integrating the new business, to exploit the high potential of water and non-alcoholic beverages and beer markets as well as the new geographies unlocked by Astir (e.g. MEA, Africa, SEA) and to drive cross-selling initiatives, leveraging Guala customers' base and presence across regions;
- Assess market conditions to potentially raise capital to fund business activities, including acquisitions and capital expenditures, as well as to refinance existing debt.

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 for 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 the reorganisation costs, merger and acquisition expenses, SAP implementation costs not capitalised, MIP (Management Incentive Plan), change in equity-accounted investments, non-recurring grants, non-recurring expenses and impairment losses.

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 the reorganisation costs, merger and acquisition expenses, SAP implementation costs not capitalised, MIP (Management Incentive Plan), change in equity-accounted investments, non-recurring grants, non-recurring expenses and impairment losses.

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.

Adjusted gross operating profit

	First quarter	
(€'000)	**2023**	**2024**
Profit for the period	13,369	9,185
Income taxes	5,857	5,910
Profit before tax	**19,226**	**15,095**
Amortisation and depreciation	13,273	12,105
Net financial expense	10,722	7,310
Gross operating profit (EBITDA)	**43,220**	**34,510**
Adjustments:		
Reorganisation costs	-	939
Merger and acquisition expenses	1,116	1,101
SAP implementation costs not capitalised	-	802
MIP (Managment incentive plan)	-	955
Adjusted gross operating profit (Adjusted EBITDA)	**44,336**	**38,307**

Adjusted operating profit

	First quarter	
(€'000)	**2023**	**2024**
Profit for the period	13,369	9,185
Income taxes	5,857	5,910
Profit before tax	**19,226**	**15,095**
Net financial expense	10,722	7,310
Operating profit	**29,947**	**22,405**
Adjustments:		
Reorganisation costs	-	939
Merger and acquisition expenses	1,116	1,101
SAP implementation costs not capitalised and training/ optimising	-	802
MIP (Managment incentive plan)	-	955
Adjusted operating profit	**31,063**	**26,203**

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

- Reorganisation costs mainly refer to restructuring costs in Italy, Mexico and Spain;
- Merger and acquisition expenses include due diligence and consultant costs related to various projects.

These indicators are shown in order to provide a better understanding of the group's financial performance and should not be considered as substitutes for 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 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 towards 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	1Q 2023	1Q 2024	Classification in the notes to the consolidated financial statements (notes 14-15)
Net exchange losses	3,059	5,859	Exchange gains
Net exchange losses	(7,343)	(4,837)	Exchange losses
Net fair value gains on financial liabilities to non-controlling investors	-	2,275	Financial income on financial liabilities to non-controlling investors
Net fair value losses on financial liabilities to non-controlling investors	(1,140)	-	Financial expense on financial liabilities to non-controlling investors
Net interest expense	288	1,165	Interest income
Net other financial expense	789	4,464	Other financial income
Net interest expense	(4,995)	(12,536)	Interest expense
Other net financial expense	(1,379)	(3,701)	Other financial expense
Total net financial expense	**(10,722)**	**(7,310)**	

Annex B)

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

(€'000)

Classification in the reclassified statement of financial position	December 31, 2023	March 31, 2024	Classification in the consolidated financial statements
Net working capital	126,077	130,234	Trade receivables
Net working capital	124,354	134,703	Inventories
Net working capital	(96,196)	(100,153)	Trade payables
Total net working capital	**154,234**	**164,784**	
Other net liabilities	16,199	17,458	Current direct tax assets
Other net liabilities	8,984	11,866	Current indirect tax assets
Other net liabilities	20,825	7,941	Other current assets
Other net liabilities	16	12	Contract costs
Other net liabilities	20,129	16,815	Deferred tax assets
Other net liabilities	3,177	3,100	Other non-current assets
Other net liabilities	(17,463)	(17,425)	Current direct tax liabilities
Other net liabilities	(13,197)	(12,782)	Current indirect tax liabilities
Other net liabilities	(11,828)	(10,352)	Current provisions
Other net liabilities	(1,009)	(924)	Contract liabilities
Other net liabilities	(49,997)	(54,240)	Other current liabilities
Other net liabilities	(53,497)	(50,700)	Deferred tax liabilities
Other net liabilities	(744)	(744)	Non-current provisions
Other net liabilities	(8,889)	(10,102)	Other non-current liabilities
Total net other liabilities	**(87,292)**	**(100,077)**	
Net financial liabilities	(756)	(1,400)	Current financial assets
Net financial liabilities	(3,434)	(3,457)	Non-current financial assets
Net financial liabilities	17,637	24,272	Current financial liabilities
Financial liabilities - Lease	4,525	4,552	Current financial liabilities
Net financial liabilities	844,065	842,771	Non-current financial liabilities
Non controlling investors' put option	-	3,194	Current financial liabilities
Non controlling investors' put option	39,320	39,741	Non-current financial liabilities
Financial liabilities - Lease	16,538	18,159	Non-current financial liabilities
Cash and cash equivalents	(196,280)	(197,680)	Cash and cash equivalents
Total net financial indebtedness	**721,614**	**730,152**	

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)

	March 31, 2023	March 31,2024
Total change in net financial indebtedness	**17,432**	**(2,344)**
Increase in right-of-use assets	1,686	3,470
Proceeds from new borrowings and bonds	1,353	868
Repayment of borrowings and bonds	(749)	(909)
Repayment of finance leases	(1,661)	(2,125)
Translation effect on foreign currency assets and liabilities	69	600
Net fair value gains on non-controlling investors' put options	1,140	(2,275)
Change in liabilities for financial expense	4,763	5,687
Payment of transaction costs on bond issued	-	(1,618)
Change in financial assets	(40)	46
Total change in financial assets and liabilities	**6,561**	**3,743**
Total change in cash and cash equivalents	**23,992**	**1,400**

Condensed interim consolidated financial statements at March 31, 2024

Statement of profit or loss

For the three months ended March 31 (€'000)	2023 (*)	2024	Note
Net revenue	**221,292**	**184,255**	6
Change in finished goods and semi-finished products	7,168	7,132	
Other operating income	766	3,010	7
Internal work capitalised	1,895	1,439	8
Costs for raw materials	(103,814)	(83,405)	9
Costs for services	(41,495)	(36,819)	10
Personnel expense	(40,202)	(39,183)	11
Other operating expense	(2,326)	(1,896)	12
Impairment losses on trade receivables and contract assets	(64)	(23)	
Amortisation and depreciation	(13,273)	(12,105)	19-20-21
Financial income	4,135	11,489	13
Financial expense	(14,857)	(18,799)	14
Profit before taxation	**19,226**	**15,095**	
Income taxes	(5,857)	(5,910)	15
Profit for the period	**13,369**	**9,185**	
Attributable to:			
- the owners of the parent	9,671	6,254	
- non-controlling interests	3,698	2,931	

Statement of profit or loss and other comprehensive income

For the three months ended March 31 (€'000)	2023 (*)	2024
Profit for the period	**13,369**	**9,185**
Other comprehensive income (expense):		
Actuarial gains on defined benefit plans (including taxes)	-	46
Items that will not be reclassified to profit or loss:	**-**	***46***
Foreign currency translation differences for foreign operations	2,137	4,342
Hedging reserve	2,778	5,950
Hedging reserve for cash flow hedges reclassified to profit or loss	(3,387)	(2,778)
Tax on items that will or may be reclassified subsequently to profit or loss	180	(765)
Items that will or may be reclassified subsequently to profit or loss:	**1,708**	**6,750**
Other comprehensive income for the period, net of tax	**1,708**	**6,796**
Comprehensive income for the period	**15,077**	**15,981**
Attributable to:		
- the owners of the parent	11,614	13,132
- non-controlling interests	3,463	2,850

(*) The 1Q 2023 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

The notes on pages 45 to 76 are an integral part of these consolidated financial statements.

Statement of financial position – ASSETS

(€'000)	December 31, 2023	March 31, 2024	Note
ASSETS			
Current assets			
Cash and cash equivalents	196,280	197,680	16
Current financial assets	756	1,400	
Trade receivables	126,077	130,234	17
Inventories	124,354	134,703	18
Current direct tax assets	16,199	17,458	
Current indirect tax assets	8,984	11,866	
Other current assets	20,825	7,941	
Total current assets	**493,475**	**501,282**	
Non-current assets			
Non-current financial assets	3,434	3,457	
Property, plant and equipment	260,949	273,090	19
Right-of-use assets	20,439	22,557	20
Intangible assets	855,727	855,837	21
Contract costs	16	12	
Deferred tax assets	20,129	16,815	
Other non-current assets	3,177	3,100	
Total non-current assets	**1,163,872**	**1,174,868**	
TOTAL ASSETS	**1,657,347**	**1,676,150**	

The notes on pages 45 to 76 are an integral part of these consolidated financial statements.

Statement of financial position – LIABILITIES

(€'000)	December 31, 2023	March 31, 2024	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	28,053	32,018	22
Trade payables	96,196	100,153	23
Contract liabilities	1,009	924	
Current direct tax liabilities	17,463	17,425	
Current indirect tax liabilities	13,197	12,782	
Current provisions	11,828	10,352	24
Current derivative liabilities	68	-	
Other current liabilities	49,997	54,240	25
Total current liabilities	**217,810**	**227,895**	
Non-current liabilities			
Non-current financial liabilities	900,226	900,671	22
Employee benefits	8,545	8,131	
Deferred tax liabilities	53,497	50,700	
Non-current provisions	744	744	24
Non-current derivative liabilities	6,799	3,694	
Other non-current liabilities	8,889	10,102	
Total non-current liabilities	**978,699**	**974,042**	
Total liabilities	**1,196,510**	**1,201,937**	
Share capital and reserves attributable to non-controlling interests	42,942	50,139	
Profit for the period attributable to non-controlling interests	9,884	2,931	
Equity attributable to non-controlling interests	**52,826**	**53,070**	**27**
Share capital	68,907	68,907	
Share premium reserve	388,341	388,341	
Legal reserve	13,781	13,781	
Translation reserve	(13,904)	(9,481)	
Hedging reserve	(5,215)	(2,808)	
Retained earnings and other reserves	(57,445)	(43,851)	
Profit for the period	13,547	6,254	
Equity attributable to the owners of the parent	**408,012**	**421,143**	**26**
Total equity	**460,837**	**474,213**	
TOTAL LIABILITIES AND EQUITY	**1,657,347**	**1,676,150**	

The notes on pages 45 to 76 are an integral part of these consolidated financial statements.

Statement of cash flows

(€'000)	first quarter 2023 (*)	first quarter 2024	Note
Opening cash and cash equivalents	**79,478**	**196,280**	
A) Cash flows from operating activities			
Profit before taxation	19,226	15,095	
Adjustments:			
Amortisation and depreciation	13,273	12,105	19-20-21
Financial income	(4,135)	(11,489)	
Financial expense	14,857	18,799	
Net gains on sale of non-current assets	(87)	(8)	
Variation:			
Receivables	2,895	(2,526)	17
Payables	9,698	3,152	23
Inventories	(9,545)	(9,529)	18
Other operating items	586	12,812	
Income taxes paid	(6,102)	(7,279)	
Net cash flows from operating activities	**40,665**	**31,133**	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(14,751)	(19,805)	19-20-21
Proceeds from sale of property, plant and equipment and intangible assets	272	602	19-20-21
Net cash flows used in investing activities	**(14,478)**	**(19,203)**	
C) Cash flows from financing activities			
Interest received	329	496	
Interest paid	(602)	(8,601)	
Transaction costs paid for bonds issued	-	(1,618)	
Other financial items	31	2,146	
Dividends paid to minorities	-	(54)	
Proceeds from new borrowings and bonds	1,353	868	22
Repayment of borrowings and bonds	(749)	(909)	22
Repayment of leases	(1,661)	(2,125)	
Change in financial assets	(40)	46	
Net cash flows used in financing activities	**(1,340)**	**(9,752)**	
Net cash flows of the period	**24,847**	**2,177**	
Effect of exchange fluctuations on cash held	(854)	(777)	
Closing cash and cash equivalents	**103,470**	**197,680**	**16**

(*) The 2023 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

The notes on pages 45 to 76 are an integral part of these consolidated financial statements.

Statement of changes in equity

(€'000)	January 1, 2023	Allocation of 2022 result	Profit for the period	Other comprehensive income	Comprehensive income for the period	Total transactions with owners	March 31, 2023	Labrenta PPA	March 31, 2023 (*)
	A)	B)			C)	D)	A)+B)+C)+D)	E	A)+B)+C)+D)+E)
Attributable to the owners of the parent:									
Share capital	68,907				-	-	**68,907**		**68,907**
Share premium reserve	423,837				-	-	**423,837**		**423,837**
Legal reserve	2,310	-			-	-	**2,310**		**2,310**
Translation reserve	(20,348)			2,373	**2,373**	-	**(17,975)**		**(17,975)**
Hedging reserve	-			(429)	**(429)**	-	**(429)**		**(429)**
Retained earnings and other reserves	122,543	55,196			-	-	**177,738**	**(622)**	**177,116**
Profit (loss) for the period	55,196	(55,196)	9,935		**9,935**	-	**9,935**	**(265)**	**9,671**
Equity	**652,445**	**-**	**9,935**	**1,944**	**11,879**	**-**	**664,323**	**(887)**	**663,436**
Non-controlling interests:		0			**0**				
Share capital and reserves	33,252	13,204		(236)	**(236)**	**(4,202)**	**42,019**	-	**42,019**
Profit for the period	13,204	(13,204)	3,698		**3,698**		**3,698**	-	**3,698**
Equity	**46,457**	**-**	**3,698**	**(236)**	**3,463**	**(4,202)**	**45,717**	**-**	
Total equity	**698,901**	**-**	**13,633**	**1,708**	**15,341**	**(4,202)**	**710,040**	**(887)**	**709,153**

(*) The first quarter 2023 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

(€'000)	January 1, 2024	Allocation of 2023 result	Profit for the period	Other comprehensive income	Comprehensive income for the period	Total transactions with owners	March31, 2024
	A)	B)			C)	D)	A)+B)+C)+D)
Attributable to the owners of the parent:							
Share capital	68,907				-	-	**68,907**
Share premium reserve	388,341				-	-	**388,341**
Legal reserve	13,781	-			-	-	**13,781**
Translation reserve	(13,904)			4,424	**4,424**	-	**(9,481)**
Hedging reserve	(5,215)			2,407	**2,407**	-	**(2,808)**
Retained earnings and other reserves	(57,445)	13,547		46	**46**	-	**(43,851)**
Profit for the period	13,547	(13,547)	6,254		**6,254**	-	**6,254**
Equity	**408,012**	**-**	**6,254**	**6,877**	**13,131**	**-**	**421,143**
Non-controlling interests:							
Share capital and reserves	42,942	9,884		(82)	**(82)**	**(2,605)**	**50,139**
Profit for the period	9,884	(9,884)	2,931		**2,931**	-	**2,931**
Equity	**52,826**	**-**	**2,931**	**(82)**	**2,849**	**(2,605)**	**53,070**
Total equity	**460,837**	**-**	**9,185**	**6,796**	**15,981**	**(2,605)**	**474,213**

The notes on pages 45 to 76 are an integral part of these consolidated financial statements.

Notes to the condensed interim consolidated financial statements at March 31, 2024

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 registerar. 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 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.

Currently, the group is the European and international leader in the production of safety closures for spirits bottles, with 70 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 March 31, 2024 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, 2023, 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.

1Q/3M means the first three months of the year from January 1 to March 31.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for derivatives, share based payments or similar and contingent consideration arising in a business combination (i.e., the put option on non-controlling interests) which are measured at fair value, and on a going concern basis. There are no business risks and/or any identified uncertainties which may cast doubts on the group’s ability to continue as a going concern.

The condensed interim consolidated financial statements have been prepared using the following formats:

- 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.

For each asset and liability caption including amounts due within and after one year, the amount which is expected to be received or paid after one year is shown.

Neither the company nor the group are subject to management or coordination activities.

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, taxes, provisions, measurement of derivatives, market warrants and measurement of the effects of business combinations.

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 March 31, 2024

	Registered office	Currency	Share/quota capital	Investment percentage	Type of investment	Method of consolidation
EUROPE						
Anacorks Unipessoal Lda	Portugal	EUR	37,000	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
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	9,879,980	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	85%	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	-	70%	Indirect (*)	Line-by-line
Fengyi Guala Closures (Sichuan) Co Ltd	China	CNY	21,857,140	70%	Indirect (*)	Line-by-line
Yibin Guanghua Packaging Co. Ltd	China	CNY	5,000,000	70%	Indirect (*)	Line-by-line
Guizhou Fengyi Packaging Co Ltd	China	CNY	10,000,000	70%	Indirect (*)	Line-by-line
Sichuan Fengyi Cap Production Co Ltd	China	CNY	10,000,000	70%	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	60,000,100	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 not legal tender in Italy:

	Average exchange rates		Spot exchange rates	
€1 = x foreign currency	**1Q 2023**	**1Q 2024**	**December 31, 2023**	**March 31 2024**
Pound sterling	0.88318	0.85621	0.8691	0.85510
US dollar	1.07300	1.08573	1.1050	1.08110
Indian rupee	88.25347	90.14900	91.9045	90.13650
Mexican peso	20.04527	18.44343	18.7231	17.91790
Colombian peso	5,107.51667	4,253.41333	4,267.5200	4,169.72000
Brazilian real	5.57390	5.37617	5.3618	5.40320
Chinese renmimbi	7.34080	7.80497	7.8509	7.81440
Argentine peso	226.89090	927.22960	892.9239	927.22960
Polish zloty	4.70940	4.33243	4.3395	4.31230
New Zealand dollar	1.70363	1.77200	1.7504	1.80920
Australian dollar	1.56903	1.65137	1.6263	1.66070
Ukrainian hryvnia	39.23820	41.47360	41.9960	42.36700
Bulgarian lev	1.95580	1.95580	1.9558	1.95580
South African rand	19.0562	20.5066	20.3477	20.5226
Japanese yen	141.9770	161.2026	156.3300	163.4500
Chilean peso	870.4200	1028.0700	977.0700	1060.0900
Kenyan shilling	135.6189	162.8777	173.2685	142.4106
Turkish lira	20.8632	34.9487	32.6531	34.9487

(3) Changes to standards

The new standards and/or amendments thereto applicable to annual reporting periods beginning on or after January 1, 2024 are set out below.

- Amendment to IAS 1 - 'Presentation to Financial Statements' includes the following amendments:

  - Classification of Liabilities as Current or Non-current and Deferral of Effective Date (issued on January 23, 2020 and July 15, 2020 respectively)

  The amendment specifies the requirements to classify liabilities as current or non-current by clarifying i) what is meant by a right to defer the settlement; ii) that if an entity has the right to roll over an obligation for at least twelve months after the end of the reporting period, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period; iii) that the classification is unaffected by the likelihood that an entity will exercise its deferral right; and iv) that the settlement refers to a transfer to the counterparty that results in the extinguishment of the liability.

  - Non-current Liabilities with Covenants (issued on October 31, 2022)

  The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current; while additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

- Amendment to IFRS 16 - 'Leases', Lease Liability in a Sale and Leaseback (issued on September 22, 2022)

  A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. The amendment specifies how a seller-lessee measures the lease liability, which arises in a sale and leaseback transaction, to ensure that it does not recognise any amount of the gain or loss related to the right-of-use retained. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions.

- Amendments to IAS 7 - 'Statement of Cash Flows' and IFRS 7 - 'Financial Instruments: Disclosures: Supplier Finance Arrangements' (issued on May 25, 2023)

  The amendments address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

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

These accounting standards, amendments and interpretations are not yet endorsed, and the Group is still assessing the impact of these amendments on its financial position or operating results, in so far as they are applicable.

- IFRS 18 Presentation and Disclosures in Financial Statements (issued on 9 April 2024)

  On 9 April 2024 the International Accounting Standards Board issued IFRS 18 which replaces IAS 1 – 'Presentation and Disclosure in Financial Statements' and introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. The first application is scheduled for 1 January 2027.

- Amendments to IAS 21 - 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchange ability' (issued on August 15, 2023)

  The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The first application is scheduled for 1 January 2025.

These new documents, having a deferred date of entry into force, were not adopted for the preparation of these consolidated financial statements, but will be applied starting from the date of entry into force established as mandatory. No significant impact is expected on the consolidated financial statements from the adoption of these new documents.

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

(4.1) Acquisitions of Yibin Fengyi Packaging Co., Ltd

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

Provisional Goodwill

Goodwill arising from the acquisition is provisionally recognised as:

(€'000)	**Amount as at 31 October 2023**
Consideration	21,140
Net identifiable assets and liabilities	(6,061)
Provisional goodwill arising from the acquisition	**15,079**

In consideration of the short period of time which elapsed between the date of the business combination and the date of 31 March 2024 of the consolidated financial statements, the complexity of the process of allocating the fair value to the assets acquired, liabilities assumed and contingent liabilities assumed by Yibin Fengyi Packaging Co., Ltd, 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 consolidated financial statements as at 31 March 2024, the proceeds deriving from the acquisition were provisionally recognised under the item "Goodwill" for a value of €15.1 million, corresponding to the difference between the lower value of the consolidated net assets of Yibin Fengyi Packaging Co., Ltd and the consideration transferred for the purchase of Yibin Fengyi Packaging Co., Ltd shares from the buyers.

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.

For additional information, reference should be made to note (5) Acquisitions of subsidiaries, business units and non-controlling interests of Guala Closures Annual report as at December 31, 2023.

Pursuant to the Share Purchase Agreement executed on July 25, 2023, the buyer was supposed to deliver to the sellers within 90 (ninety) business days from closing, a pro-forma consolidated statement of accounts of the Chinese Companies as of the closing date together with the determination, of (i) the final net financial position, and (ii) the final working capital.
By means of the addendum signed on March 15, 2024, the parties agreed to postpone the term for the delivery of the aforementioned documentations to April 30, 2024 and subsequently postponed as described in note (32) Events after the reporting period.

(5) Russia – Ukraine conflict and Israel – Palestine conflict

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 in 2023 and in the first months of 2024 and no impact on customers service thanks to the Group business model which guarantees product delivery thanks to the availability of alternative production sites within the Group.

Among other things, GC Ukraine in second half 2022 moved a part of its production lines to a satellite plant located in the city of Ternopil, near the Polish Border, where the company employs around 100 people.

GC Ukraine still has to comply with certain administrative restrictions on currency conversion transactions and payments abroad adopted by the National Bank of Ukraine and transactions with Russian and Belarussian-based companies are forbidden. These restrictions do not apply to aluminium importation.

The current sanctions adopted by the EU and the USA against Russia are currently not significantly impacting our business.

In the near-term, the ongoing and persistent geopolitical uncertainty, primarily stemming from the conflicts in Russia-Ukraine conflict and more recently the conflict in the Middle East, remains a risk factor in the global economic landscape. The Group constantly monitors developments in the global geopolitical environment that could require a review of the current corporate strategies and/or the introduction of measures to safeguard its competitive positioning and performance. In addition, the Group constantly monitors and assesses the markets in which it operates, as well as customers' behavioural patterns.

GC Belarus is a dormant entity since the outbreak of war.

Israel – Palestine conflict

The ongoing conflict between Israel and Palestine has no significant impact on the Guala Group's business. The main effect of this event, if any, is identified among transfer costs to and from the Red Sea, which may be slowed.

Statement of profit or loss

(6) Net revenue

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

(€'000)	first quarter 2023	first quarter 2024
Europe	125,921	99,085
Asia	19,515	25,954
Americas	60,686	46,063
Oceania	9,475	8,124
Africa	5,695	5,029
Total	**221,292**	**184,255**

The table below illustrates net revenue by product:

(€'000)	first quarter 2023	first quarter 2024
Safety closures	75,445	58,821
Luxury closures	33,141	20,752
Roll-on closures	103,102	89,631
Other revenue	9,601	15,051
Total	**221,292**	**184,255**

The table below illustrates net revenue by destination market:

(€'000)	first quarter 2023	first quarter 2024
Spirits closures	146,677	117,904
Wine closures	36,263	31,045
Water closures	19,106	15,953
Non-alcoholic beverages closures	4,725	5,782
Olive oil & condiments closures	4,026	3,956
Other markets	10,492	9,615
Total	**221,292**	**184,255**

(7) Other operating income

This caption includes:

(€'000)	first quarter	
	2023	2024
Sundry recoveries/repayments	365	827
Government grants	159	139
Gains on sale of non-current assets	87	8
Other	155	2,036
Total	**766**	**3,010**

(8) Internal work capitalised

(€'000)	first quarter	
	2023	2024
Internal work capitalised	1,895	1,439
Total	**1,895**	**1,439**

(9) Costs for raw materials

This caption includes:

(€'000)	first quarter	
	2023	2024
Raw materials and supplies	97,839	72,946
Packaging	4,229	3,175
Consumables and maintenance	3,410	2,728
Fuels	193	145
Other purchases	1,173	4,678
Change in inventories	(3,031)	(267)
Total	**103,814**	**83,405**

Costs for raw materials decreased by €20.4 million from €103.8 million in the first quarter 2023 (46.9% of net revenue) to €83.4 million in the first quarter 2024 (45.3%).

(10) Costs for services

This caption includes:

(€'000)	first quarter	
	2023	**2024**
Electricity / heating	11,887	8,428
Transport	10,131	8,046
External processing	3,963	3,756
Maintenance	2,894	3,266
Sundry industrial services	2,430	3,114
Legal and consulting fees	2,519	2,423
Travel	1,186	1,196
Insurance	1,136	1,208
Administrative services	853	785
Technical assistance	747	623
Directors' fees	515	976
Cleaning service	486	416
Commissions	484	423
External labour / porterage	469	377
Security	314	118
Advertising services	208	192
Telephone costs	204	257
Entertainment expenses	172	158
Commercial services	131	89
Expos and trade fairs	121	227
Other	644	742
Total	**41,495**	**36,819**

(11) Personnel expense

This caption includes:

(€'000)	first quarter	
	2023	**2024**
Wages and salaries	32,038	29,808
Social security contributions	4,808	4,577
Expense from defined benefit plans	516	561
Other costs	2,839	4,237
Total	**40,202**	**39,183**

Personnel expense decreased by €1.1 million from €40.2 million in the first quarter 2023 to €39.1 in the first quarter 2024 mainly due to a slight reduction in the number of employees.

At December 31, 2023 and March 31,2024, the group had the following number of employees:

	December 31, 2023	March 31, 2024
Blue collars	3,894	3,679
White collars	1,007	969
Managers	407	384
Total	**5,308**	**5,032**

(12) Other operating expense

This caption includes:

(€'000)	first quarter	
	2023	2024
Accruals to provisions	184	66
Taxes and duties	674	454
Use of third-party assets	573	656
Other charges	896	720
Total	**2,326**	**1,896**

Short-term leases costs, 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.

(13) Financial income

This caption includes:

(€'000)	first quarter	
	2023	2024
Exchange gains	3,059	5,859
Interest income	288	1,165
Financial income on financial liabilities to non-controlling investors	-	2,275
Other financial income	789	2,190
Total	**4,135**	**11,489**

The change in fair value of the financial liabilities to non-controlling investors, in the first quarter 2024 compared to the first quarter 2023, generated a financial income of €2.3 million, while in the first quarter 2023 generated a financial expense of €1.1 million.

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

(14) Financial expense

This caption includes:

(€'000)	first quarter 2023	first quarter 2024
Interest expense	4,995	12,536
Exchange losses	7,343	4,837
Financial expense on financial liabilities to non-controlling investors	1,140	-
Other financial expense	1,379	1,426
Total	**14,857**	**18,799**

Interest expense of €12.5 million mainly refers to the Guala Closures S.p.A. bonds.

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 the first quarter 2024 is in line with first quarter 2023 and includes €0.4 million interest costs related to the application of IFRS 16.

(15) Income taxes

This caption includes:

(€'000)	First quarter 2023 (*)	First quarter 2024	diff.
Current taxes	(7,857)	(6,023)	1,834
Deferred taxes	2,000	113	(1,887)
Total income taxes	**(5,857)**	**(5,910)**	**(53)**

(*) The 1Q 2023 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

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 quarter 2023	first quarter 2024
Change in deferred tax liabilities on fair value adjustments on cash flow hedges	180	(765)
Total	**180**	**(765)**

On January 1, 2024, the so-called "Pillar Two" regulations came into force, as provided for by EU Directive no. 2523 of December 14, 2022, implemented in Italy by the legislative decree no. 209 of December 27, 2023 (hereinafter, the "Decree"), aimed at placing a limit on unfair tax competition, introducing a global minimum tax rate (i.e. "Global Minimum Tax") at 15% in each jurisdiction where large multinational companies operate. These rules apply to the Guala Closures Group, as a Multinational Group exceeding the revenue threshold of €750 million, for two out of the previous four financial years - having Guala Closures S.p.A. as its ultimate parent entity (the "UPE").

The Group, as already done for the Annual Report's finalization at 31 December 2023, carried out a specific analysis - based at 31 March 2024 - in order to identify (and, therefore, to confirm) the scope of application of the Pillar Two regulations, as well as the potential impacts deriving from the application of the regulations in the various countries in which it operates, taking into account the "Transitional Safe Harbours" ("TSH").

Based on this analysis, the TSH's test are exceeded in almost all of the jurisdictions in which the Group is present and, in any event, it is believed that, based on the assessments made to 31 March 2024, the combined application of the TSH and the Pillar Two rules would not result in a significant Top-Up-Tax exposure for the Guala Closures Group in 2024.

The above considerations are based on a forward-looking assessment of the tax liability, determined in light of available data and information at 31 March 2024 and on the basis of a simplified approach.

Finally, it should be noted that no significant effect arose on deferred taxation calculation resulting from the entry into force of the Pillar Two.

Statement of financial position

(16) Cash and cash equivalents

Cash and cash equivalents totalled €197,680 thousand at March 31, 2024 (€196,280 thousand at December 31, 2023).

(17) Trade receivables

This caption may be analysed as follows:

(€'000)	December 31, 2023	March 31, 2024
Trade receivables	132,595	135,205
Loss allowance	(6,518)	(4,971)
Total	**126,077**	**130,234**

The loss allowance changed as follows:

(€'000)	March 31, 2024
Opening balance	6,518
Exchange translation effect	20
Accruals	3
Utilisations/releases of the period	(1,570)
Closing balance	**4,971**

At March 31, 2024, the allowance relates to a few customers for which credit losses are expected.

(18) Inventories

This caption may be analysed as follows:

(€'000)	**December 31, 2023**	**March 31, 2024**
Raw materials, consumables and supplies	65,377	65,262
Allowance for inventory write-down	(6,527)	(5,590)
Work in progress and semi-finished products	35,279	37,551
Allowance for inventory write-down	(2,058)	(1,841)
Finished products and goods	33,329	38,035
Allowance for inventory write-down	(1,262)	(1,053)
Advance payments for inventory	217	2,340
Total	**124,354**	**134,703**

Changes in 2024 are as follows:

(€'000)	**March 31, 2024**
January 1, 2024	124,354
Exchange translation effect	828
Change in raw materials, consumables and supplies	267
Change in finished goods and semi-finished products	7,132
Change in advance payments for inventory	2,123
March 31, 2024	**134,703**

The allowance for inventory write-down changed as follows:

(€'000)	**March 31, 2024**
Opening balance	9,847
Exchange translation effect	3
Accrual/Utilisations of the period	(1,365)
Closing balance	**8,484**

(19) Property, plant and equipment

The following table shows the changes in this caption in 2024:

(€'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, 2023	71,882	270,110	32,112	5,244	54,266	**433,614**
Accumulated depreciation and impairment losses at December 31, 2023	(12,493)	(143,995)	(13,363)	(2,814)	-	**(172,665)**
Carrying amount at December 31, 2023	**59,389**	**126,116**	**18,749**	**2,429**	**54,266**	**260,949**
Carrying amount at January 1, 2024	**59,389**	**126,116**	**18,749**	**2,429**	**54,266**	**260,949**
Exchange translation effect	369	2,107	229	140	390	**3,235**
Increases	-	848	13	156	15,120	**16,137**
Disposals	-	(85)	-	(1)	(741)	**(826)**
Reclassifications	687	2,123	160	73	(2,729)	**315**
Depreciation	(630)	(5,144)	(771)	(176)	-	**(6,721)**
Historical cost at March 31, 2024	72,658	277,415	41,624	4,525	66,306	**462,528**
Accumulated depreciation and impairment losses at March 31, 2024	(12,844)	(151,451)	(23,242)	(1,902)	-	**(189,439)**
Carrying amount at March 31, 2024	**59,814**	**125,965**	**18,382**	**2,623**	**66,306**	**273,090**

(*) The opening figures have been reclassified to be consistent with 1Q 2024 classification

In the three months of 2024, capex increase of €16.1 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. In the first quarter 2024 they increased by €15.1 million compared to December 31, 2023. With a specific focus on UK, the increase of € 7.3 million is due to the new plant located in Gartcosh (Scotland). The company expect the Gartcosh facility to begin operations in the last quarter of 2024, and to become fully operational in the second half of 2025.

The residual amount of € 7.8 million mainly refers to Italy, Spain, India, and Mexico.

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 29) Commitments and guarantees.

(20) Right-of-use assets

The following table shows the changes in this caption in 2024:

(€'000)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Historical cost at December 31, 2023	29,222	10,662	5,114	6,233	**51,231**
Accumulated depreciation and impairment losses at December 31, 2023	(18,385)	(4,828)	(3,526)	(4,052)	**(30,792)**
Carrying amount at December 31, 2023	**10,837**	**5,834**	**1,587**	**2,181**	**20,439**
Carrying amount at January 1, 2024	**10,837**	**5,834**	**1,587**	**2,181**	**20,439**
Exchange translation effect	157	812	(16)	18	**971**
Increases	2,795	270	13	462	**3,541**
Decreases	(10)	(60)	-	(0)	**(71)**
Reclassifications	1,409	(1,758)	(54)	-	**(403)**
Depreciation of right-of-use assets	(1,130)	(365)	(162)	(262)	**(1,919)**
Historical cost at March 31, 2024	33,572	9,927	5,057	6,713	**55,269**
Accumulated depreciation and impairment losses at March 31, 2024	(19,515)	(5,193)	(3,689)	(4,314)	**(32,711)**
Carrying amount at March 31, 2024	**14,057**	**4,734**	**1,368**	**2,399**	**22,557**

(21) Intangible assets

The following table shows the changes in this caption in 2024:

(€'000)	Development expenditure	Licences and patents	Goodwill	Other	Assets under development and payments on account	Total
Historical cost at December 31, 2023	7,363	145,480	547,218	233,940	7,966	**941,966**
Accumulated amortisation and impairment losses at December 31, 2023	(3,876)	(37,994)	-	(44,369)	-	**(86,239)**
Carrying amount at December 31, 2023	**3,487**	**107,486**	**547,218**	**189,571**	**7,966**	**855,727**
Carrying amount at January 1, 2024	**3,487**	**107,486**	**547,218**	**189,571**	**7,966**	**855,727**
Exchange translation effect	86	90	(86)	1,155	100	**1,345**
Increases	5	-	-	-	2,137	**2,142**
Reclassifications	1,811	81	-	2	(1,807)	**88**
Amortisation	(192)	(1,520)	-	(1,753)	-	**(3,465)**
Historical cost at March 31, 2024	9,433	146,136	547,131	235,278	8,397	**946,375**
Accumulated depreciation and impairment losses at March 31, 2024	(4,237)	(39,998)	-	(46,303)	-	**(90,538)**
Carrying amount at March 31, 2024	**5,196**	**106,137**	**547,131**	**188,975**	**8,397**	**855,837**

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

Goodwill includes an amount of €15.1 million deriving of the acquisition of Fengyi Group occurred in October 2023. In consideration of the complexity of the process of allocating the fair value to the assets acquired, liabilities assumed contingent liabilities assumed by Fengyi and the relevant longer term of 12 months from the date of the business combination in these consolidated condensed financial statements the proceeds deriving from the acquisition are still provisionally recognized under the item “Goodwill”.

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

The Group checks the recoverability of goodwill at least once a year, or more frequently if specific events or circumstances indicate impairment, by testing each CGU (cash-generating unit).

Reference should be made to the 2023 annual report for information on the previous impairment test.

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, 2023.

(22) 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 28) 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, 2023 and March 31,2024 are shown below:

(€'000)	December 31, 2023	March 31, 2024
Current financial liabilities		
Bonds	1,889	5,905
Other bank loans and borrowings	6,476	6,744
Other financial liabilities	19,687	19,369
	28,053	***32,018***
Non-current financial liabilities		
Bonds	850,000	850,000
Transaction costs	(24,875)	(23,653)
Other bank loans and borrowings	4,716	4,375
Other financial liabilities	70,385	69,949
	900,226	***900,671***
Total	**928,279**	**932,689**

"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.

- New Senior Secured Floating Rate Notes maturing in 2029 (the "**2029 Notes**") of €350 million in aggregate principal amount issued under an indenture among, *inter alios*, Guala Closures, U.S. Bank Trustees Limited, as trustee and security agent (the "2029 Notes Indenture").
  The 2029 Notes bear interest at a rate equal to three-month EURIBOR (subject to a 0% floor) plus 4.00% per annum, reset quarterly, payable quarterly in arrears on each of December 15, March 15, June 15 and September 15, beginning on December 15, 2023. In order to hedge its exposure to the 2029 Notes' floating interest rate, on October 13, 2023, Guala Closures S.p.A. entered into (i) an ISDA Master Agreement with each of Deutsche

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

The 2029 Notes will mature on June 29, 2029. Prior to October 13, 2024, Guala Closures will be entitled, at its option, to redeem all or a portion of the 2029 Notes by paying a "make-whole" premium. At any time on or after October 13, 2024, Guala Closures may redeem all or part of the 2029 Notes at par, plus accrued and unpaid interest thereon. The 2029 Notes Indenture contains the same key covenants based on incurrence tests included in the 2028 Notes Indenture.

Guala Closures has an available amount of €80 million (equivalent) multi-currency revolving 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) + 2.25%. This margin decreased from the original rate of 2.5% to 2.25% 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 + 2.5% 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 2.25% based on the decreasing leverage-based margin.

In connection with the offering of the 2029 Notes, on October 13, 2023, certain lenders made available an additional facility under the existing Revolving Credit Facility Agreement in an aggregate principal amount of €54 million by way of a fungible increase of the total commitments under the 2027 RCF to €150 million.

Guala Closures continually evaluates and identifies opportunities for value-accretive bolt-on acquisitions and is currently actively considering certain of these opportunities. In parallel, Guala Closures assesses market conditions to potentially raise capital to fund any such acquisitions as well as to refinance our existing debt and/or finance the business activities and capital expenditures. To that end, Guala Closures may choose to raise additional financing, depending on market conditions and other circumstances, in the near future.

The interest rates and maturity dates of the financial liabilities at December 31, 2023 and March 31,2024 are shown below:

December 31, 2023				Nominal amount					
					Current	Non- current			
(€'000)	Currency	Nominal interest rate	Year of maturity	Total December 31, 2023	Within one year	Between one and five years	More than five years	Current	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	-	-	677	-
Transaction costs	€	n.a.	2028	(10,649)	-	(10,649)	-	-	(10,649)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**490,028**	**677**	**489,351**	**-**	**677**	**489,351**
Bonds - Senior Secured Floating Rate Notes issued by Guala Closures S.p.A.	€	Euribor 3M+4%	2029	350,000	-	-	350,000	-	350,000
Interest on bonds	€	n.a.	2022	1,212	1,212	-	-	1,212	-
Transaction costs	€	n.a.	2029	(12,272)	-	-	(12,272)	-	(12,272)
TOTAL SSFRN 2029 bonds - Guala Closures S.p.A.				**338,940**	**1,212**	**-**	**337,728**	**1,212**	**337,728**
Bank loans and borrowings:									
Transaction costs	€	n.a.	2027	(1,954)	-	(1,954)	-	-	(1,954)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(1,954)**	**-**	**(1,954)**	**-**	**-**	**(1,954)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2023	157	157	-	-	157	-
Facilities Labrenta S.r.l. (Italy)	€	n.a.	n.a.	4,796	1,912	-	2,883	1,912	2,883
Loans Itaú Bank (Brazil)	BRL	n.a.	2024	22	17	5	-	17	5
Financial Lease (Poland)	PLN	n.a.	n.a.	276	131	145	-	131	145
Financial Lease (Bulgaria)	BGN	n.a.	n.a.	1,103	322	782	-	322	782
Noco Banco (Anacorks)	€	Euribor 1M+1.25%	2027	234	-	234	-	-	234
Facilities Group FengYi (China)	CNY	n.a.	n.a.	3,728	3,574	154	-	3,574	154
Bancomer loans (Mexico)	USD	n.a.	2024	875	362	513	-	362	513
TOTAL other bank loans and borrowings				**11,192**	**6,476**	**1,833**	**2,883**	**6,476**	**4,716**
Other financial liabilities:									
Leases (IFRS 16)	€	n.a.	n.a.	21,367	4,525	14,741	2,101	4,525	16,841
Non-controlling investors' put options	€	n.a.	n.a.	45,210	5,890	39,320	-	5,890	39,320
Other liabilities (Liabilities vs FengYi minority)	CNY	n.a.	n.a.	2,274	-	2,274	-	-	2,274
Other liabilities (Liabilities vs Cortapedra: Acquisition Labrenta Srl)	€	3.00%	2026	13,977	3,640	10,337	-	3,640	10,337
Other liabilities (Liabilities vs FengYi minority: Acquisition FengYi)	CNY	n.a.	2025	7,197	5,585	1,612	-	5,585	1,612
Other liabilities	€	n.a.	n.a.	47	47	-	-	47	-
TOTAL other financial liabilities				**90,071**	**19,687**	**68,284**	**2,101**	**19,687**	**70,385**
TOTAL				**928,278**	**28,052**	**557,514**	**342,712**	**28,052**	**900,226**

March 31, 2024				Nominal amount					
					Current	Non- current			
(€'000)	Currency	Nominal interest rate	Year of maturity	Total March 31, 2024	Within one year	Between one and five years	More than five years	Current	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.	2024	4,694	4,694	-	-	4,694	-
Transaction costs	€	n.a.	2028	(10,101)	-	(10,101)	-	-	(10,101)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**494,594**	**4,694**	**489,899**	**-**	**4,694**	**489,899**
Bonds - Senior Secured Floating Rate Notes issued by Guala Closures S.p.A.	€	Euribor 3M+4%	2029	350,000	-	-	350,000	-	350,000
Interest on bonds	€	n.a.	2022	1,211	1,211	-	-	1,211	-
Transaction costs	€	n.a.	2029	(11,720)	-	-	(11,720)	-	(11,720)
TOTAL SSFRN 2029 bonds - Guala Closures S.p.A.				**339,490**	**1,211**	**-**	**338,280**	**1,211**	**338,280**
Bank loans and borrowings:									
Transaction costs	€	n.a.	2027	(1,832)	-	(1,832)	-	-	(1,832)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(1,832)**	**-**	**(1,832)**	**-**	**-**	**(1,832)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2023	167	167	-	-	167	-
Facilities Labrenta S.r.l. (Italy)	€	n.a.	n.a.	4,157	1,248	-	2,908	1,248	2,908
Loans Itaú Bank (Brazil)	BRL	n.a.	2024	17	16	2	-	16	2
Financial Lease (Poland)	PLN	n.a.	n.a.	286	129	157	-	129	157
Financial Lease (Bulgaria)	BGN	n.a.	n.a.	1,051	329	722	-	329	722
Noco Banco (Anacorks)	€	Euribor 1M+1.25%	2027	154	-	154	-	-	154
Group FengYi	CNY			4,485	4,485	-	-	4,485	-
Facilities Group FengYi (China)	CNY	n.a.	n.a.	-	-	-	-	-	-
Bancomer loans (Mexico)	USD	n.a.	2024	802	370	432	-	370	432
TOTAL other bank loans and borrowings				**11,119**	**6,744**	**1,466**	**2,908**	**6,744**	**4,375**
Other financial liabilities:									
Leases (IFRS 16)	€	n.a.	n.a.	22,711	4,552	16,062	2,096	4,552	18,159
Non-controlling investors' put options	€	n.a.	n.a.	42,935	3,194	39,741	-	3,194	39,741
Other liabilities (Liabilities vs FengYi minority)	CNY	n.a.	n.a.	2,285	2,285	-	-	2,285	-
Other liabilities (Liabilities vs Cortapedra: Acquisition Labrenta Srl)	€	3.00%	2026	14,077	3,640	10,437	-	3,640	10,437
Other liabilities (Liabilities vs FengYi minority: Acquisition FengYi)	CNY	n.a.	2025	7,198	5,586	1,612	-	5,586	1,612
Other liabilities	€	n.a.	n.a.	112	112	-	-	112	-
TOTAL other financial liabilities				**89,318**	**19,369**	**67,853**	**2,096**	**19,369**	**69,949**
TOTAL				**932,689**	**32,018**	**557,386**	**343,285**	**32,018**	**900,671**

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 28) 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 28) Fair value of financial instruments and sensitivity analysis for further details.

The Senior Revolving Credit Facility’s availability at March 31, 2024 is shown in the table below:

Credit facility	**Available amount ('000)**	**Amount used at March 31, 2024**	**Residual available amount at March 31, 2024**	**Repayment date**
Senior Revolving Credit Facility due 2027	150,000	-	**150,000**	final repayment 12/15/2027
Total	**150,000**	**-**	**150,000**	

(23) Trade payables

These may be analysed as follows:

(€'000)	**December 31, 2023**	**March 31, 2024**
Suppliers	95,850	99,926
Advance payments to suppliers	346	227
Total	**96,196**	**100,153**

(24) Provisions

This caption may be analysed as follows:

CURRENT PROVISIONS:

(€'000)	**December 31, 2023**	**March 31, 2024**
Provision for company reorganisations	5,756	5,456
Provision for returns	2,096	1,687
Other provisions	3,976	3,208
Total current provisions	**11,828**	**10,352**

Changes in the provisions are as follows:

(€'000)	March 31, 2024
Opening balance	11,828
Exchange translation effect	157
Accruals	76
Utilisations	(1,186)
Reversal	(524)
Closing current provisions	**10,352**

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

NON-CURRENT PROVISIONS:

(€'000)	December 31, 2023	March 31, 2024
Provision for legal disputes	560	560
Provision for agents' termination indemnity	184	184
Total non-current provisions	**744**	**744**

The amount (€0.7 million in the first quarter 2024) is in line with the amount at December 31, 2023.

(25) Other current liabilities

This caption may be analysed as follows:

(€'000)	December 31, 2023	March 31, 2024
Amounts due to employees	17,800	16,663
Liabilities for investments	9,048	7,369
Social security charges payable	4,456	3,409
Liabilities for dividends	276	2,983
Other liabilities	18,417	23,817
Total	**49,997**	**54,241**

On March 31, 2024, liabilities for dividends in the amount of €3.0 million were approved but not yet paid by Guala Closures DGS Poland S.A. (€2.4 million), Guala Closures de Colombia Ltda (€0.3 million) and Guala Closures Bulgaria AD (€0.3 million). Other liabilities mainly include liabilities for non-recurring costs and deferred income which increased compared to December 31, 2023.

(26) Equity attributable to the owners of the parent

The paid-up and subscribed share capital of Guala Closures S.p.A. at March 31, 2024 remained unchanged compared to December 31, 2023 and amounts to €68,907 thousand consisting of 70,028,654 ordinary shares.

The group seeks to maintain a sufficient level of capitalisation, while giving shareholders satisfactory returns and ensuring that the Group has access to external sources of financing on 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.

(27) 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, 2023**	**Non-controlling interests (%) at March 31, 2024**	**Balance at December 31, 2023**	**Balance at March 31, 2024**
Guala Closures Technologia Ukraine LLC	30.0%	30.0%	18,081	18,918
Guala Closures India Pvt Ltd.	5.0%	5.0%	2,926	3,084
Guala Closures de Colombia LTDA	6.8%	6.8%	792	520
Guala Closures Bulgaria A.D.	30.0%	30.0%	2,625	2,678
Guala Closures DGS Poland S.A.	30.0%	30.0%	23,681	22,480
Guala Closures BY LLC	15.0%	15.0%	(23)	(35)
Fengyi Guala Closures Group	30.0%	30.0%	4,744	5,425
Total			**52,826**	**53,070**

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

OTHER INFORMATION

(28) 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, 2023 and March 31, 2024. 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, 2023		Carrying amount					Fair value			
(€'000)	Note	Designated at FVTPL	Fair value - hedging instruments	Loans and receivables at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value (*)										
Trade receivables	17			126,077		126,077				-
Financial assets				4,190		4,190				-
Cash and cash equivalents	16			196,280		196,280				-
		-	-	**326,547**	-	326,547	-	-	-	-
Financial liabilities measured at fair value										
Aluminium derivatives used for hedging		-	(68)			(68)		(68)		(68)
IRS used for hedging		-	(6,799)			(6,799)		(6,799)		(6,799)
MIP		(7,674)				(7,674)			(7,674)	(7,674)
Non-controlling investors' put options	22	(45,210)				(45,210)			(45,210)	(45,210)
		(52,884)				(59,751)		-	**(52,884)**	(59,751)
		-	-	-	-	-		-	-	-
Financial liabilities not measured at fair value (*)										
Secured bank loans	22				(816)	(816)		(816)		(816)
Unsecured bank loans	22				(8,422)	(8,422)		(8,422)		(8,422)
Secured bond issues	22				(828,968)	(828,968)		(810,834)		(810,834)
Lease liabilities (IFRS 16)	22				(21,367)	(21,367)		-		-
Trade payables	23				(96,196)	(96,196)				-
Other liabilities (Liabilities vs FengYi minority)	22				(2,274)	(2,274)				-
Liabilities vs Cortapedra: Acquisition Labrenta Srl)	22				(13,977)	(13,977)				-
Liabilities vs FengYi minority	22				(7,197)	(7,197)				-
Other financial liabilities	22				(47)	(47)				-
		-	-	-	**(979,264)**	(979,264)	-	**(820,072)**	-	(820,072)

March 31, 2024		Carrying amount					Fair value			
(€'000)	Note	Designated at FVTPL	Fair value - hedging instruments	Loans and receivables at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value (*)										
Trade receivables	17			130,234		130,234				-
Financial assets				4,857		4,857				-
Investments in associates				-		-		-		-
Cash and cash equivalents	16			197,680		197,680				-
		-	-	**332,771**	-	332,771	-	-	-	-
Financial liabilities measured at fair value										
Aluminium derivatives used for hedging		-	-			-		-		-
IRS used for hedging		-	(3,694)			(3,694)		(3,694)		(3,694)
MIP		(8,630)				(8,630)			(8,630)	(8,630)
Non-controlling investors' put options	22	(42,935)				(42,935)			(42,935)	(42,935)
		(51,565)				(55,259)		-	**(51,565)**	(55,259)
		-	-	-	-	-		-	-	-
Financial liabilities not measured at fair value (*)										
Bank overdraft	22				-	-		-		-
Secured bank loans	22				(959)	(959)		(959)		(959)
Unsecured bank loans	22				(8,327)	(8,327)		(8,327)		(8,327)
Secured bond issues	22				(834,084)	(834,084)		(815,577)		(815,577)
Lease liabilities (IFRS 16)	22				(22,711)	(22,711)		-		-
Trade payables	23				(100,153)	(100,153)				-
Other liabilities (Liabilities vs FengYi minority)	22				(2,285)	(2,285)				-
Liabilities vs Cortapedra: Acquisition Labrenta Srl)	22				(14,077)	(14,077)				-
Liabilities vs FengYi minority	22				(7,197)	(7,197)				-
Other financial liabilities	22				(112)	(112)				-
		-	-	-	**(989,906)**	(989,906)	-	**(824,864)**	-	(824,864)

(*) 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 input

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.

Type	Valuation technique	Significant unobservable inputs
Secured bond issues Finance lease liabilities Financial assets	Discounted cash flows	Not applicable.
Interest rate derivatives	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	Not applicable.

Even though secured bond issues are quoted on the OTC market as on the Euro-MTF market 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.

The derivative agreements used by the Group are forward and option exchange contracts covering aluminium exposure on raw material purchases and Zero Cost Collars derivates, both ending in October 2027, one for a notional of €175 million, tenor 4 years, cap 4%, floor 2.376% and one for a notional of €175 million, tenor 4 years, cap 4%, floor 2.380%. All derivatives contracts were designated as hedge accounting relationships from 2023.

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. • Forecasted EBITDA and net financial position based on the agreement with minority. The fair value is determined considering the expected EBITDA and Net financial position, discounted to present value using a credit risk-adjusted discount rate.	Expected cash flows in the Projections; • inflation data about, Poland, Euro Area and the USA, used to calculate risk-free rates (1.9%-2.7%); • discount rate specific to the country in which the subsidiary operates, adjusted by the group's credit risk (5.4%-19.4%); • expected date of put option exercise based on demographic assumptions (age of retirement 60-72) and any change of control clauses.	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, 2023 and March 31,2024 are shown below:

(€'000)	
December 31, 2023	52,885
Included in "financial income" Net fair value loss (unrealised)	(2,275)
MIP - Net fair value loss	955
Balance at March 31, 2024	**51,565**

Sensitivity analysis

Reasonably possible changes at March 31, 2024 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%	630
	(1%)	(663)
Growth rate	1%	(564)
	(1%)	538
Expected date of put option exercise	+ 1 year	2,947
	- 1 year	(3,131)

(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.

(29) 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 of the other Initial Guarantors 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 was guaranteed by the Guarantors and secured by the Collateral on the same basis as the 2027 RCF and confirmatory collateral (or equivalent) was granted in respect of the existing Collateral to cover the Additional RCF in each applicable jurisdiction.

On October 13, 2023, Guala Closures issued €350 million Senior Secured Floating Rate Notes due in 2029 (the "2029 Notes") and commitments under the 2027 RCF (including the Additional RCF) were increased to €150 million by way of a fungible increase. On October 23, 2023, the Italian Pledge was extended to secure the 2029 Notes, and on November 2, 2023, the Dutch Share Pledge was extended to secure the 2029 Notes. In addition, in accordance with the provisions of the documents governing the 2029 Notes, on December 20, 2023, the Guarantors provided a guarantee of the 2029 Notes, and each of the Post-Closing Collateral and the Mexican Collateral was extended to secure the 2029 Notes.

(30) Related party transactions

Transactions with key management personnel are set our below:

(€'000)	Costs recognised in the period						Accrual for post-employment benefits at March 31, 2024	Payables at March 31, 2024	Cash flows for the period
	Fees for positions held	Incentives	Remuneration for employment	Accrual for post-employment benefits and other supplementary pension funds	Non-cash benefits	Total			
Total key management personnel	330	1,135	153	10	2	**1,629**	3	6,729	468

Special Packaging Solutions Investments S.à r.l. is a related party of Guala Closures S.p.A. as it owns 100% of the share capital of Guala Closures S.p.A..

Related parties also include the pension fund for employees of the former Metal Closures Ltd. (now Guala Closures UK Ltd.) managed by Metal Closures Group Trustees Ltd. Considering the performance of the pension fund, the English company was not required to transfer funds thereto. Employees have paid their contributions.

There are no significant transactions with other related parties in addition to those indicated in this report or in the notes to the consolidated financial statements.

(31) Contingent liabilities

Guala Closures India

In 2021 a tax audit was opened in India by the local Transfer Pricing Officer, after which, the entire management fees paid by Guala Closures India were disallowed as the arm's length price was calculated as 'nil'. The Transfer Pricing Officer applied the same adjustment to Indian FY 2012-13 to FY 2013-14, FY 2015-16 to FY 2018-19, for a total taxable amount of about INR769 million (about €8.4 million). Based on the documents collected about the costs under dispute and based on various Indian judicial precedents available on this topic, the company believes it has necessary evidence to defend its position before the appellate authority.

(32) Events after the reporting period

Approval of the 2023 annual report

In their ordinary meeting of April 29, 2024, the shareholders approved the 2023 separate financial statements and the allocation of the profit for the year to the reserves. They also reappointed the directors and statutory auditors who will remain in office until the shareholders' meeting called to approve the separate financial statements as at and for the year ending December 31, 2026.

Acquisition of Astir Vitogiannis

On April 23, 2024, Guala Closures S.p.A. signed an agreement to acquire Astir Vitogiannis Bros S.A., a leading manufacturer of crown closures. Astir manufactures over 12 billion closures annually and in the year ended 2023 generated a turnover of €75 million and an EBITDA of €19 million. This transaction is in line with Guala Closures' strategy of pursuing and successfully integrating synergistic acquisitions to profitably grow the business. After the acquisition of Astir, Guala Closures will be capable of offering all available closures for glass bottles worldwide. Once completed, the acquisition of Astir will enable the Group to expand its presence in emerging markets characterised by demographic growth and increasing per capita consumption, and to provide closures for the attractive ready-to-drink and non-alcoholic beverage segments. The acquisition is subject to various standard closing conditions, including applicable regulatory approvals, and is expected to close in H2 2024.

Addendum to the Share Purchase Agreement for the acquisition of Fengyi

Pursuant to the Share Purchase Agreement executed on July 25, 2023, and the subsequent addendum signed on March 15, 2024 the buyer was supposed to deliver to the sellers by April 30, 2024, a pro-forma consolidated statement of accounts of the Chinese Companies as of the closing date together with the determination, of (i) the final net financial position, and (ii) the final working capital.

By means of the further addendum signed on April 30, 2024, the parties agreed to postpone the term for the delivery of the aforementioned documentations to May 31, 2024.

Guala Closures West Africa LFZE

On May 22, 2024, Guala Closures West Africa LFZE has been duly incorporated under the Nigeria Export Processing Zone.

On behalf of the board of directors
CEO
Mauro Caneschi

May 30, 2024