March 31, 2022

2022
FIRST QUARTER REPORT

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

Guala Closures Group

2021 GROUP HIGHLIGHTS

1954 Establishment	**30** Production sites	**4,859** Employees	**660M €** Turnover 2021	**6** R&D Centres Italy, Bulgaria, Luxembourg, Mexico, Ukraine, UK
18bn Closures per year	**300+** Closure models	**3** Product lines: safety, roll-on and luxury	**170+** Active patents	**100** Countries where we have strong customer partnerships

1Q 2022 NET REVENUE BY GEOGRAPHICAL AREA

EUROPE	AMERICAS	ASIA	OCEANIA	AFRICA	GROUP
€112.9m	€41.3m	€19.5m	€8.4m	€5.6m	€187.8m
60.1%	*22.0%*	*10.4%*	*4.5%*	*3.0%*	*100.0%*

1Q 2022 NET REVENUE BY PRODUCT

SAFETY	LUXURY	ROLL-ON	OTHER REVENUE	GROUP
€68.7m	€14.8m	€96.7m	€7.6m	€187.8m
36.6%	*7.9%*	*51.5%*	*4.0%*	*100.0%*

1Q 2022 NET REVENUE BY DESTINATION

SPIRITS	WINE	WATER	NON-ALC. BEVERAGES	OLIVE OIL & CONDIMENTS	OTHER MARKETS	GROUP
€116.9m	€34.5m	€16.0m	€4.1m	€4.9m	€11.4m	€187.8m
62.3%	*18.4%*	*8.5%*	*2.2%*	*2.6%*	*6.1%*	*100.0%*

COMPANY OFFICERS

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS

KPMG S.p.A.

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Guala Closures Group

1.1 Introduction

€ 659.8 MLN
2021 NET REVENUE

SALES NETWORK
IN OVER **100**
COUNTRIES

Around **18 BILLION**
CLOSURES
PRODUCED IN 2021

3 **PRODUCT**
CATEGORIES

OVER
170 INTELLECTUAL
PROPERTY RIGHTS

30 FACILITIES
&
2 SALES OFFICES

4,867
EMPLOYEES
AROUND THE WORLD

The Guala Closures Group is a leading multinational group manufacturing closures for spirits, wine, water, other non-alcoholic beverages, olive oil and condiments. The group is also active on a marginal basis in the field of production of closures for PET plastic preforms and bottles.

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

In 2021, the group produced and sold around 18 billion closures in three product lines (safety, luxury, roll-on) and across five destination markets (spirits, wine, water, other non-alcoholic beverages, olive oil & condiments).

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

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

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

Vision and mission

Guala Closures Group promotes the goal of continuous and constant sustainable development in all the Group companies' businesses, in order to strengthen its leadership in the production of closures in the market sectors in which it operates. This is achieved through full customer satisfaction, a focus on consumers, the enhancement of human resources, continuous innovation of products and processes, investor satisfaction and a focus on the environment and local communities.

The objective of providing two hours of training on the sustainability plan reflects Guala Closures' commitment:

Working together for sustainable growth

Values

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

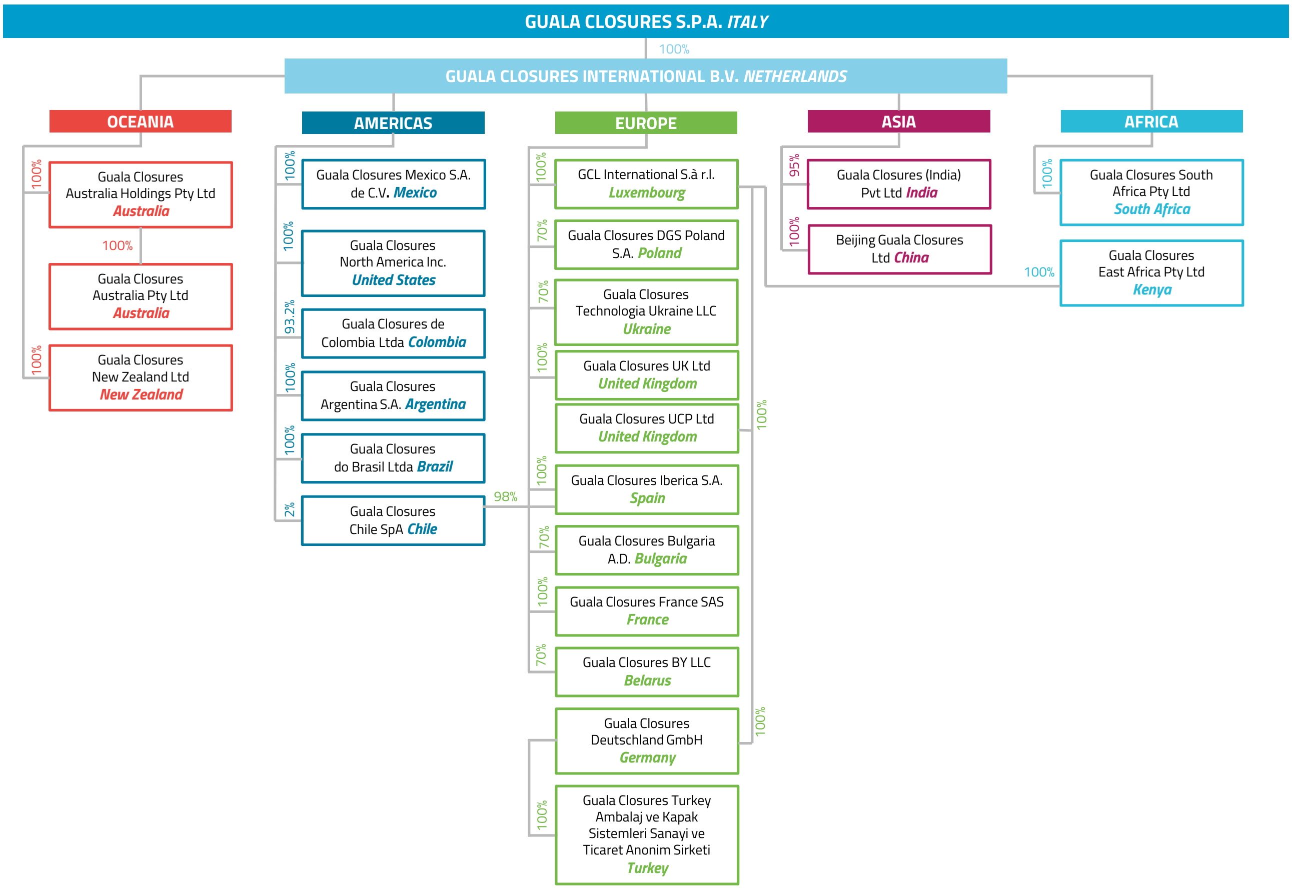
Professionalism: personnel training and growth in the pursuit of continuous and ongoing development;

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

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

1.2 The group structure

The Guala Closures Group operates on five continents, with the headquarter in Italy.
The following chart illustrates the group structure at March 31, 2022 (companies consolidated on a line-by-line basis):

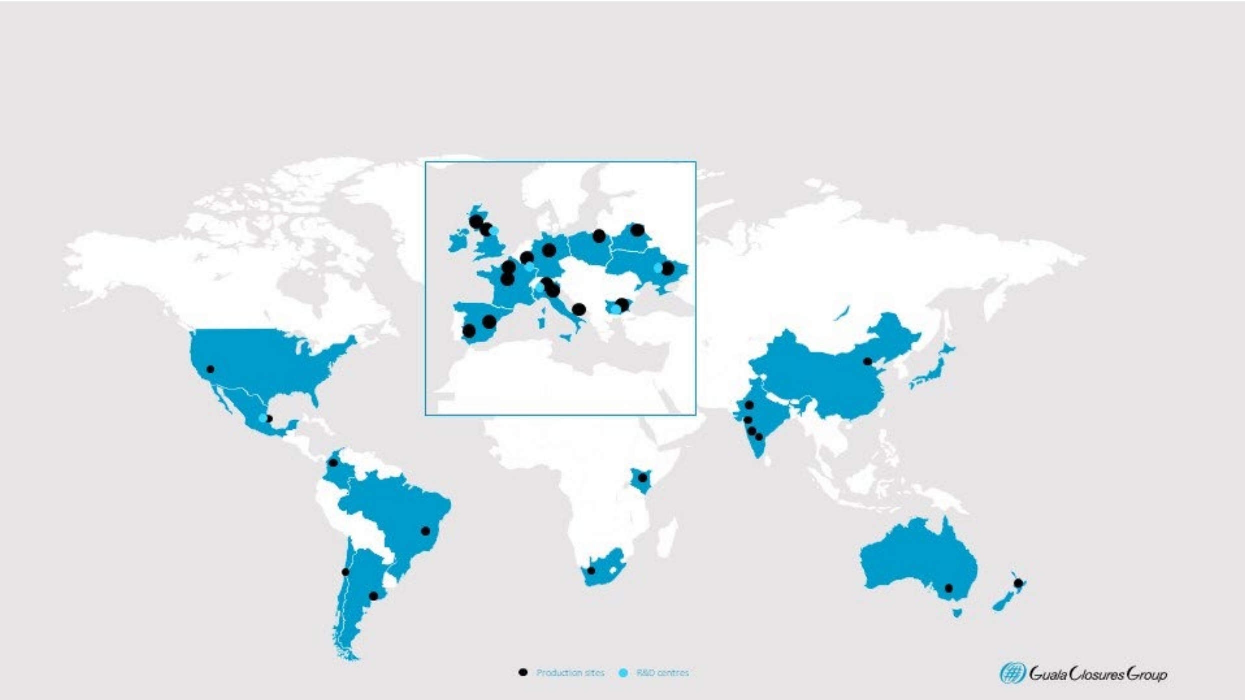


The group structure changed in the first quarter 2022 as follows:

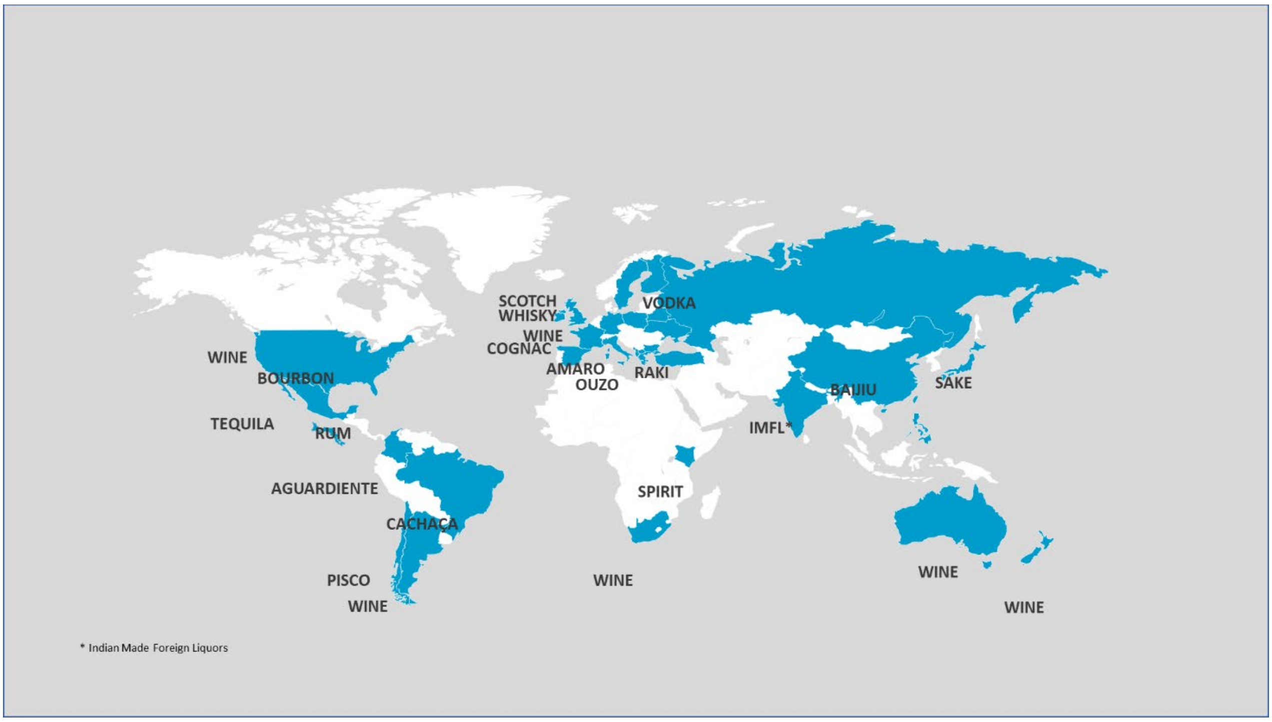
- Guala Closures Japan KK completed its liquidation process and was dissolved at the end of March 2022

1.3 International footprint

The Guala Closures Group is a multinational group with 30 facilities and six research and innovation centres (in Italy, Luxembourg, United Kingdom, Ukraine, Bulgaria and Mexico).



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



1.4 Product lines and destination markets

In 2021, the group produced and sold around 18 billion closures in three product lines and across five destination markets.

Product lines:

Safety closures:

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

Safety closures

Luxury closures:

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

Luxury closures

Roll-on:

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

Roll-on closures

Destination markets

Spirits:

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

Spirits

Wine:

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

Wine

Water:

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

Water

Other non-alcoholic beverages:

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

Other non-alcoholic beverages

Olive oil & condiments:

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

Olive oil & condiments

1.5 Research and product and process innovation

The first quarter 2022 is confirming the trend in innovation that have characterized the last year; the Group is receiving a strong request of **sustainable closures** for all the product lines and markets supplied (NR closures, Luxury, mineral water).

The solutions that the Group is already offering to the market through the range Blossom are giving answers to these requests, but we are aware that to cover an ever-extending demand we must add further innovative solutions, in which development all the R&D Centres are engaged through a coordinated action.

Easy-to-recycle solutions are often requested and they can be developed following different directions, from mono-material to easy- to-disassemble closures.

All the solutions require to be competitive compared to the current products, because despite the sustainability evolution requires the use of more expensive materials, customers don't want to get a too high cost increase: this involves more often a complete redesign of the products.

This quarter, as it will happen for sure for the next quarters, has seen the design of innovative solutions, that now are in the pilot stage: they will assure the competitive advantage of our Group for the next years.

Aside the sustainability, the growth of the **luxury** market segment is strong and the Group has been requested to study a lot of different new caps for premium brands in different markets spanning from Tequilas and Cognac to Whisky and Gin.

The R&D effort has focused on increasing the range of solutions to offer to the market, from wood, to composites, from special polymers to metal alloys: in this way the Group has the widest range of solutions in the market and is consolidating the leadership.

This market requests also smart solutions to produce high quality and small size batch of closures: the R&D has gone on in developing smart assembly solutions, already implemented in some plants and entering in others.

Safety closures, which fight against counterfeiting, have always been the key characterizing element of the Group closures: in the last quarter the application of innovative solutions to the production of our closures has gone on and will also characterize the next years: technologies that make the closures developed and produced in our Group impossible to replicate.

This challenging target is under development leveraging not only technologies, but also the IoT applications that allow simple authentication of the products: in this field the R&D activity has been quite strong in the past quarter.

1.6 Sustainability

The start of 2022 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 monitoring and reporting activities regarding environmental, social and industrial topics continued during the first quarter.

In February, through an audit conducted by Bureau Veritas, we certified all our 2021 emissions (Scope 1,2&3). The absolute value of emissions of Scope 1 and Scope 2 combined decreased by 28.5%, compared to 2020. This result was achieved mainly thanks to the increase of purchasing electricity from renewable sources.

As part of its Corporate Social Responsibility strategy, Guala Closures is attentive to identify and constantly monitor sustainability-related important subjects for the company, based on the opinions of internal and external stakeholders. In the first quarter 2022, after three years, the Group decided to conduct a new materiality survey to check the evolution of the sustainability items. Being part of Investindustrial Group since June 2021 is an additional reason to review the materiality matrix.

The participation in this survey has been high and we received 645 answers from 23 countries in the world. 485 of these answers coming from internal stakeholders, which represents 75% of the participants and 160 from external stakeholders (the remaining 25%). The results of this survey will be the base to build the new materiality matrix.

During the first quarter 2022, the Group wrote the Sustainability Report, according to the "Global Reporting Initiative Sustainability Reporting Standards" ("GRI Standards") published by the Global Reporting Initiative (with application level "Core Option"), which currently constitutes the most widespread and internationally recognized standard in the field of non-financial reporting.

The data reported in this document was verified by KPMG through on site and remote audit.

Confirming the Group's commitment to offsetting its emissions, 30,000 Carbon Credits have been purchased during the first quarter 2022.

Guala Closures will continue, also in 2022, the agreement with Vikalp and will arrange to plant 38,000 trees in the Gujarat region.

The second sustainability program will end in 2022, but the Group is already working on the definition of its new journey to 2030.

In the first quarter 2022, the Group main environmental 2030 targets have been defined, which will be focused on GHG emissions reduction, water consumption reduction in water stress areas and hazardous and landfill waste reduction. Moreover, the Group decided to commit and sign up for SBTi (Science Based Targets initiative).

Financial performance

2.1 Group performance

Key figures

(€ mln)		**1Q 2021**	**1Q 2022**	***% variation***
Net revenue		**138.3**	**187.8**	***35.7%***
Adjusted gross operating profit (Adjusted EBITDA)[1]		**24.3**	**34.4**	***41.7%***
Margin		***17.5%***	***18.3%***	
	March 31, 2021	**December 31, 2021**	**March 31, 2022**	
Net financial indebtedness [2]	474.7	462.0	469.4	
Employees				4,867
Facilities				30 production facilities and 2 sales offices in 25 countries on 5 continents
Intellectual property rights				over 170

Note:

- *Reference should be made to the section Alternative performance indicators in this report for information on the adjusted gross operating profit.*
- *Net financial indebtedness consists of financial liabilities minus cash and cash equivalents, as well as financial assets.*

After two challenging years due to the Covid pandemic, which impacted health and social conditions as well as the global economy, 2022 started with more encouraging positive expectations.

The key economic and financial indicators of the Group in the first quarter 2022 show a positive trend with revenue up 35.7% compared to the first quarter 2021 and an Adjusted EBITDA margin of 18.3%, improving compared to the 17.5% margin of the previous year.

Revenue growth was driven by sales volume/mix and selling price increase. The first quarter 2022 performance was realized thanks to a double digit growth in almost all the regions in which the Group operates.

The increase in adjusted gross operating profit (adjusted EBITDA) in the first quarter 2022 compared to the first quarter 2021 was achieved thanks to the contribution from the additional sales volume/mix and from the selling price increases, which mitigated the impact of the cost base increase (raw materials, utilities and transports).

Net financial indebtedness at March 31, 2022 was €469.4 million, with an increase of €7.3 million compared to the value at December 31, 2021 (€462.0 million). This increase was mainly due to the business seasonality, but it was lower than the increase recorded in the first quarter 2021 (€10.5 million).

Significant events of the period

The main events which affected the Guala Closures Group in the first quarter 2022 are summarised below:

BUSINESS:

- **Guala Closures Japan KK**

The company Guala Closures Japan KK, which consisted merely in a representative office in Tokyo, completed its liquidation process and was dissolved at the end of March 2022.
The former General Manager of Guala Closures Japan KK shall continue his activity of Asia Pacific Development Director and will be based in India.

- **Guala Closures UK Ltd**

With regard to the Pension Scheme of Guala Closures UK Ltd, on March 23, 2022, the Board of Directors of Guala Closures UK approved a step-plan to enter into an insurance policy with a private insurance company and to seek a settlement with the active member of the UK pension scheme. The wind-up of the Pension Fund's scheme is expected in the first quarter 2023.

- **Appointment of new President of the Board of Statutory auditors and new substitute auditor**

On April 28, 2022, Mrs. Benedetta Navarra resigned as President of the Board of Statutory auditors and on April 29, 2022, Mr. Ugo Marco Luca Maria Pollice resigned as substitute auditor.

On May 6, 2022, the Shareholder's meeting appointed Mrs. Mara Vanzetta as new President of the Board of Statutory auditors and Mr. Massimiliano Di Maria as substitute auditor.

Russia - Ukraine conflict

The recent optimism after the winding-down of the pandemic has been largely disrupted since the outbreak of the Russian invasion of Ukraine, together with the increasing global geopolitical tensions that began at the end of February 2022.
On February 24, 2022, as a result of the start of the war, GC Ukraine was forced to shut down the factory located in Sumy. All the employees were evacuated and safe. No damage was suffered in relation to the assets of the company.

The group promptly reacted supporting the humanitarian efforts in Ukraine through donations to Red Cross, the organization of humanitarian transports of essential supplies and the hosting of some employees families.

In the first three months 2022 the company realized revenues for an amount of approximately €16 million and an EBITDA of approximately €3.3 (respectively €14 million and €3.8 million in the first three months 2021) million that included accruals linked to potential losses due to the conflict for an amount of €1.3 million, with net assets of €49 million.

About half of the annual turnover of the company was realized with 3rd parties of which 50% with customers located in Ukraine and Russia. In 2021, roughly 2.7% of Group net revenue was realized towards Russian local customers and 1.6% towards Ukrainian local customers. Intragroup sales are mainly realized with GC S.p.A., GC North America and GC Belarus with sales of aluminium shells and components.

At March 31, 2022 GC Ukraine had €1.2 million of trade receivables towards Russian customers, €5.2 million towards Ukrainian customers and €6.3 million towards GC Belarus, of which respectively €0.1 million, €2.5 million and €4.4 million collected as of the date of this report.

We continue to monitor the situation as it evolves and contingency plans have been implemented to mitigate the potential impacts on the customers and the group. In particular we started immediately to relocate the productions for international customers in other group plants also considering extraordinary capex expenditures to adapt production lines for closure models previously made in Ukraine.
The backup plan adopted and the inventory quantities available at the end of February 2022 limited the loss of orders (at the moment not significant) from international customers that we are confident to recover in the next months. No sales were done to the local Russian customers after March 2022 from Group companies.

From end of March, the production in Ukraine restarted, but with less employees involved. Sumy returned under the control of Sumy Regional State Administration and many business activities are restarting.

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

GC Belarus revenues are mostly to Russia, selling closures produced from aluminium shells and components purchased from Ukraine. In the first three months 2022 the company realized revenues for an amount of approximately €2.6 million and an EBITDA of approximately €0.1 million (respectively €2.5 million and €0.1 million in the first three months 2021) with a net asset of €0.4 million.
At March 31, 2022 GC Belarus had €2.4 million of trade receivables towards Russian customers, of which €2.2 million collected as of the date of this report.
Due to the lack of supply and freeze of sales to Russian local customers, GC Belarus is not operating since March.

An accrual of around €1.3 million has been accounted for in relation to inventory product hold for Russian market, the increase of expected credit loss estimation on trade receivable due to the increasing risk of local market and the additional extra charges deriving from the interruption of activities towards Russia and Belarus.

Furthermore the Group accounted for an impairment of €5 million on the customer relationship attributable to the Russian market following the lack of visibility on the ongoing business in the Russian market.

Financial performance

ANALYSIS OF THE FINANCIAL PERFORMANCE

The table below summarises the financial performance of the Group for the first quarter 2021 and 2022:

Statement of profit or loss	First quarter 2021 (*)		First quarter 2022	
	(€'000)	*% of net revenue*	*(€'000)*	*% of net revenue*
Net revenue	**138,335**	***100.0%***	**187,760**	***100.0%***
Change in finished goods and semi-finished products	6,871	*5.0%*	10,587	*5.6%*
Other operating income	1,120	*0.8%*	765	*0.4%*
Internal work capitalised	1,233	*0.9%*	843	*0.4%*
Costs for raw materials	(63,778)	*(46.1%)*	(92,166)	*(49.1%)*
Costs for services	(24,369)	*(17.6%)*	(37,670)	*(20.1%)*
Personnel expense	(33,894)	*(24.5%)*	(35,575)	*(18.9%)*
Other operating expense	(1,958)	*(1.4%)*	(3,318)	*(1.8%)*
Impairment losses	(0)	*(0.0%)*	(5,390)	*(2.9%)*
Gross operating profit (EBITDA)	**23,561**	***17.0%***	**25,836**	***13.8%***
Amortisation and depreciation	(15,679)	*(11.3%)*	(13,465)	*(7.2%)*
Operating profit (EBIT)	**7,882**	***5.7%***	**12,371**	***6.6%***
Financial income	3,996	*2.9%*	6,191	*3.3%*
Financial expense	(11,052)	*(8.0%)*	(6,892)	*(3.7%)*
Net financial expense	**(7,055)**	***(5.1%)***	**(701)**	***(0.4%)***
Profit before taxation	**827**	***0.6%***	**11,670**	***6.2%***
Income taxes	(1,372)	*(1.0%)*	(1,811)	*(1.0%)*
Profit (loss) for the period	**(546)**	***(0.4%)***	**9,858**	***5.3%***
Attributable to:				
- the owners of the parent	(2,635)	*(1.9%)*	8,459	*4.5%*
- non-controlling interests	2,089	*1.5%*	1,399	*0.7%*

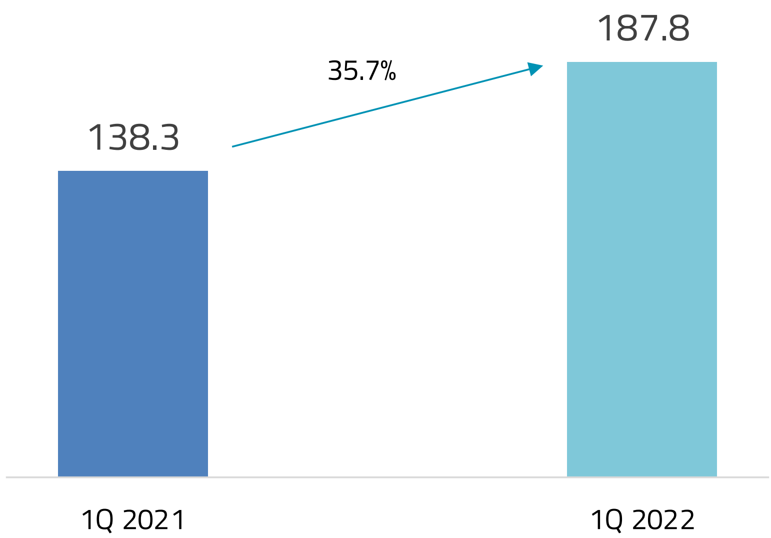
Adjusted gross operating profit (Adjusted EBITDA)	**24,261**	***17.5%***	**34,374**	***18.3%***

Note:

- *First quarter 2021 figures have been reclassified in order to be consistent with 2022 classification*
- *For information on the calculation of the adjusted gross operating profit reference should be made to page 38.*

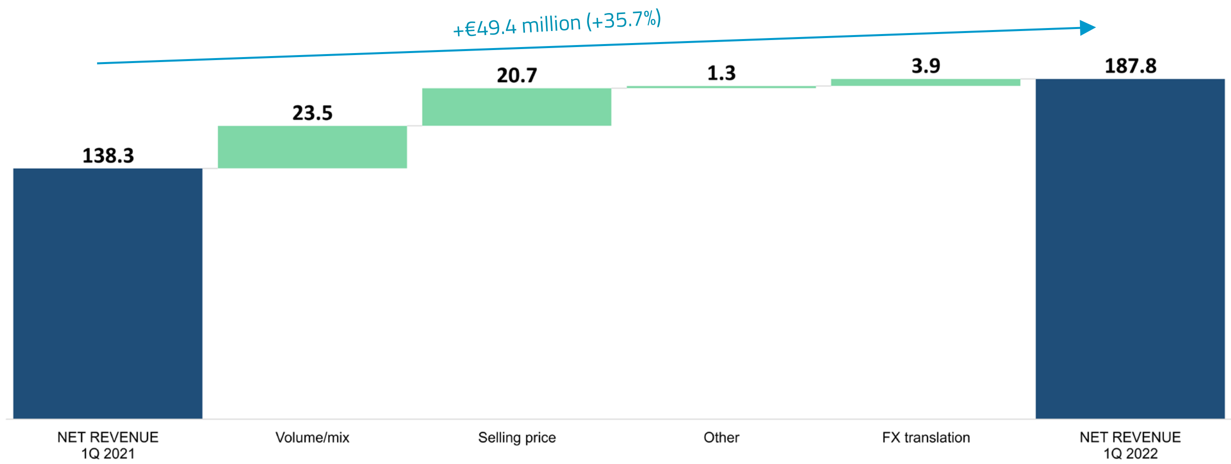
NET REVENUE

The following chart illustrates the first quarter 2022 trend in revenue compared to the first quarter 2021.



In the first quarter 2022, consolidated net revenue was €187.8 million, up €49.4 million (+35.7%) on the first quarter 2021.

The main drivers of the increase are shown in the following chart:

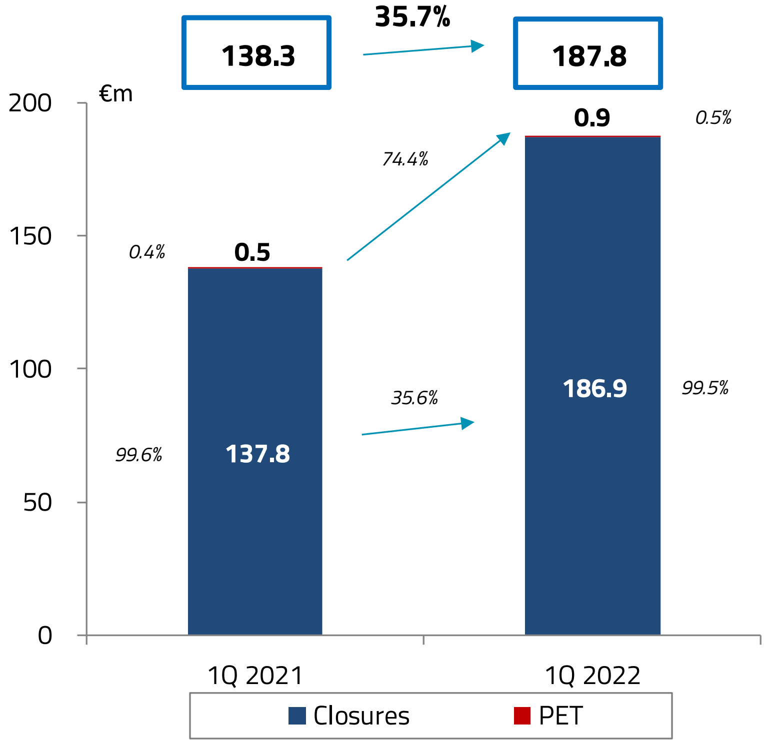


The Group reported in the first quarter 2022 an increase in volumes/mix of €23.5 million and a benefit of €20.7 million deriving from selling price increase.

Net revenue increased in all the regions in which the Group operates with a double-digit growth, except Oceania which was substantially stable.

NET REVENUE BY DIVISION

The following chart shows a breakdown of net revenue by division.



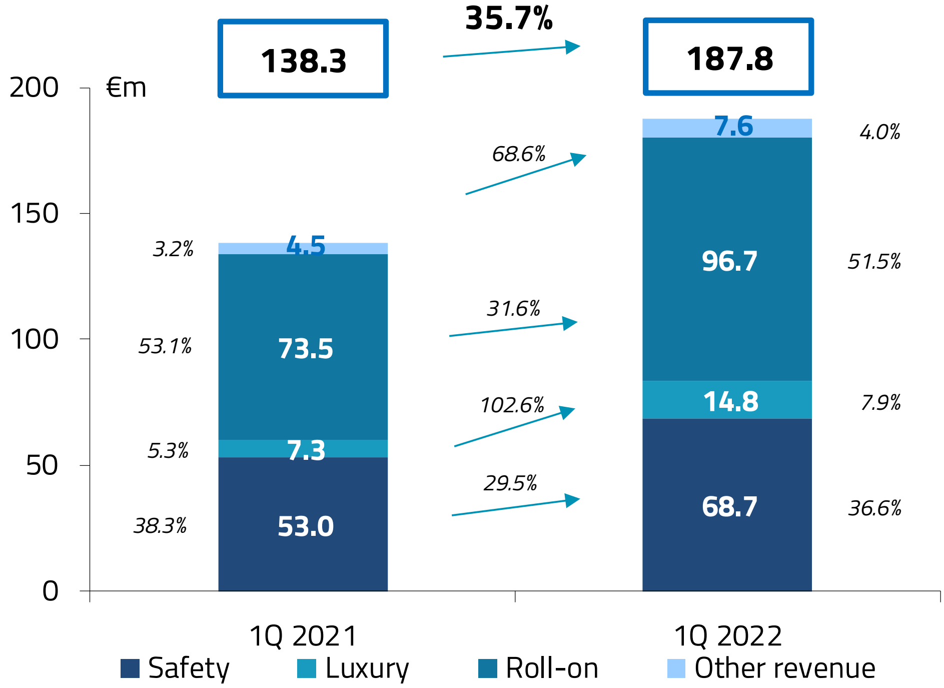
As the group's core business, the "Closures" division accounts for over 99% of net revenue. It is specialised in the production of safety, customised luxury and roll-on closures.

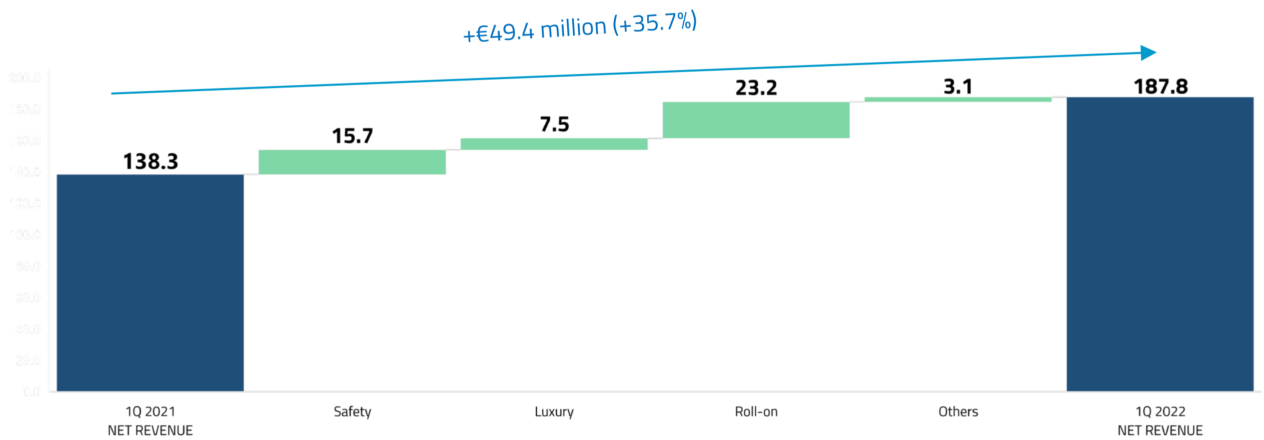
The net revenue of the Closures division increased by €49.1 million (+35.6%) in the first quarter 2022 from €137.8 million in the first quarter 2021 to €186.9 million in the first quarter 2022.

The "PET" division, active in the production of PET bottles and miniatures, is no longer considered a core business for the group. As the PET division is not considered significant in size, it is not analysed in this report.

NET REVENUE BY PRODUCT

The following graphs show a breakdown of net revenue by product and the variations versus the first quarter 2021:





Net revenue increased in all the product segments.

Revenue from **safety** closures increased by €15.7 million (29.5% growth) from €53.0 million in the first quarter 2021 (38.3% of net revenue) to €68.7 million in the first quarter 2022 (36.6%). The growth is mainly driven by the increase in average price applied to mitigate the raw material and utilities cost increase.

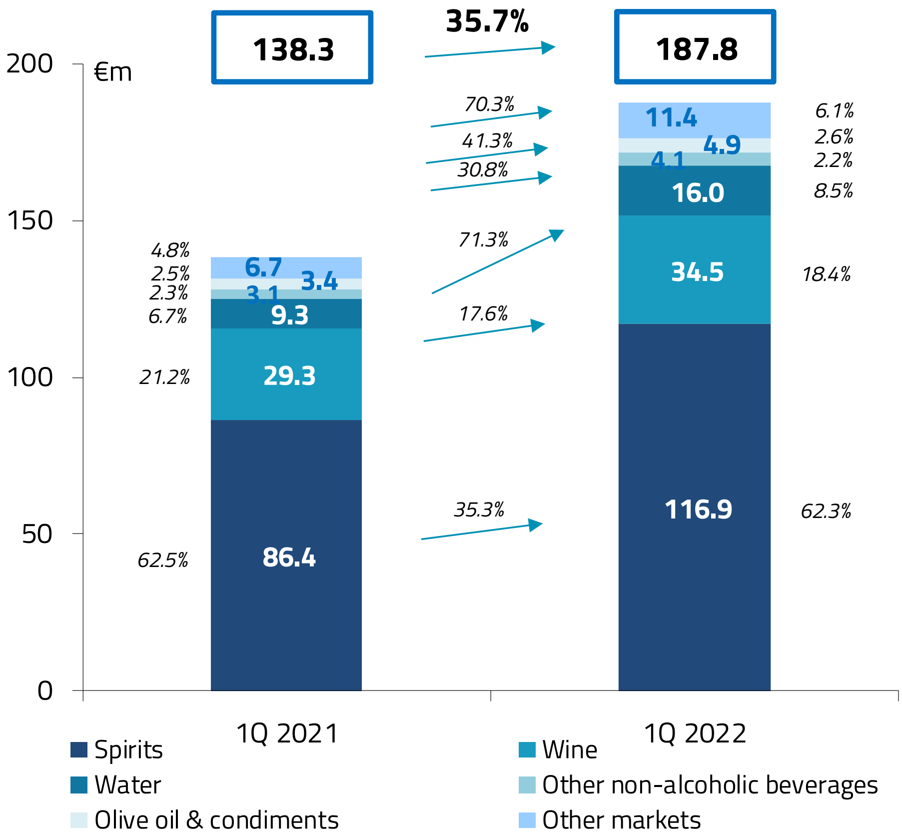
Revenue from **luxury** closures increased by €7.5 million (102.6% growth) from €7.3 million in the first quarter 2021 (5.3% of net revenue) to €14.8 million in the first quarter 2022 (7.9%), due to the increase in both volumes and average price.

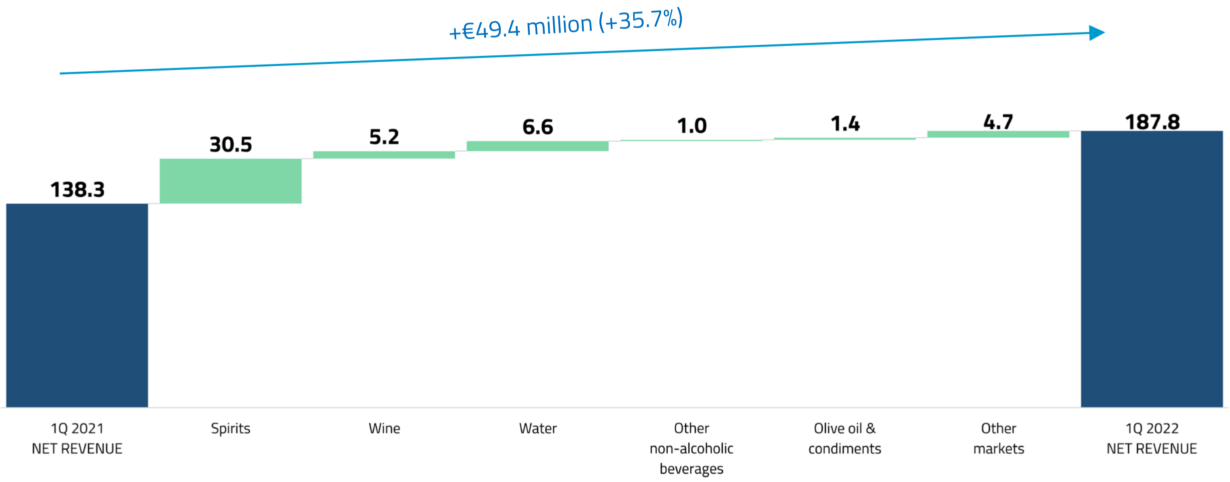
Revenue from **roll-on** closures increased by €23.2 million (31.6% growth) from €73.5 million in the first quarter 2021 (53.1% of net revenue) to €96.7 million in the first quarter 2022 (51.5%). This increase was due to both volume and price increase in spirits, water and wine markets.

Other revenue increased by €3.1 million (68.6% growth) from €4.5 million in the first quarter 2021 (3.2% of net revenue) to €7.6 million in the first quarter 2022 (4.0%). Other revenue includes sale of closures for the pharmaceutical sector, PET and other revenue not included in the previous categories.

NET REVENUE BY DESTINATION MARKET

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





The net revenue increase in the first quarter 2022 was mainly due to the spirit market which is the Group main destination market.

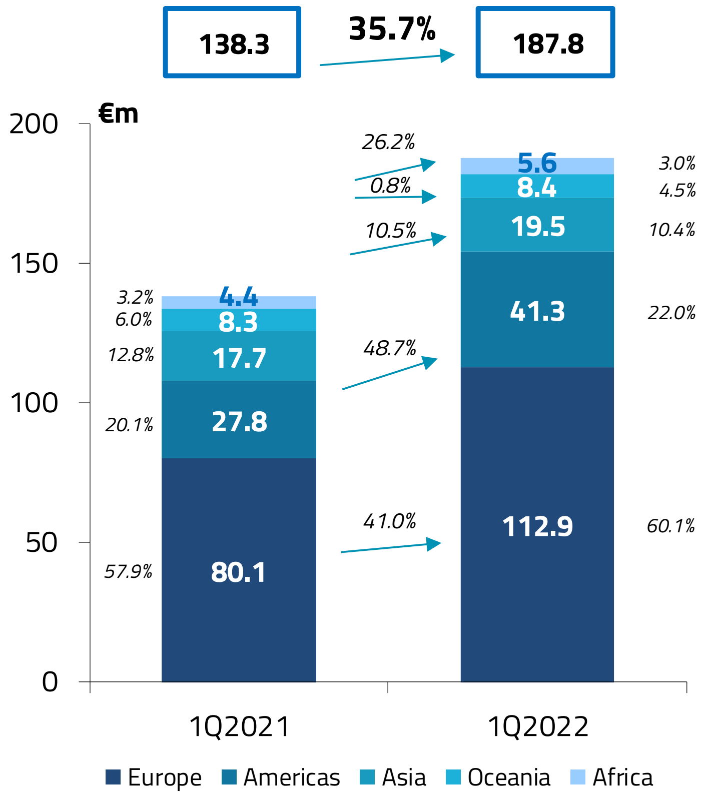
Net revenue in the **spirits market** increased by €30.5 million (35.3% growth) from €86.4 million in 2021 (62.5% of net revenue) to €116.9 million in 2022 (62.3%). The increase was realized thanks to the increase in all the regions in which the Group operates.

The **wine market** is the group's second largest destination market and generated 18.4% of net revenue in 2022. Revenue from the sale of wine closures rose €5.2 million (17.6% growth) from €29.3 million in 2021 (21.2% of net revenue) to €34.5 million in 2022 (18.4%). The growth was realized mainly in Europe and Americas.

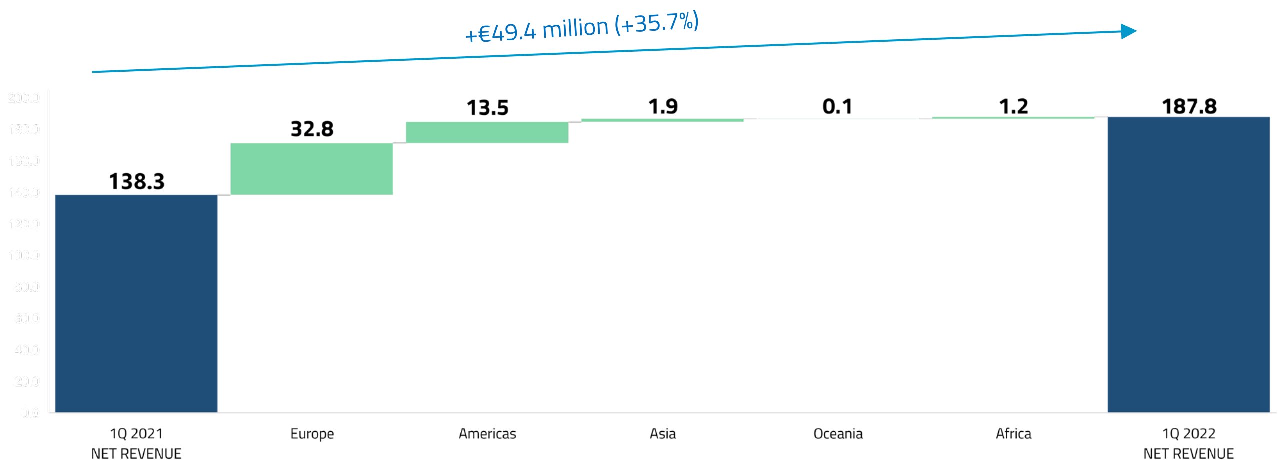
The **Water market** recovered from the contraction of commercial activities caused by the Covid-19 pandemic and shows an increase of €6.6 million (71.3% growth) from €9.3 million in 2021 (6.7% of net revenue) to €16.0 million in the first quarter 2022 (8.5%); also **Non-alcoholic beverages market** increased compared to 2021 due to some customers growth in specialty beverages.

NET REVENUE BY GEOGRAPHICAL SEGMENT

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



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



The sales growth in the first quarter 2022 was driven by a double-digit growth in all the regions in which the Group operates, except Oceania which was substantially stable.

Net revenue from operations in **Europe** increased by €32.8 million (41% growth) from €80.1 million in the first quarter 2021 (57.9% of net revenue) to €112.9 million in the first quarter 2022 (60.1%).
Such increase is mainly due to the good performance of Italy, UK, Spain, Germany and Poland due to the recovery of water business in the horeca channel and also to the increase in spirits and wine.

Net revenue from operations in the **Americas** increased by €13.5 million (48.7% growth) from €27.8 million in the first quarter 2021 to €41.3 million in 2022 (impacts of 20.1% and 22.0% of net revenue, respectively) mainly due to the increase in spirits and wine segments.

Net revenue from operations in **Asia** went from €17.7 million (10.5% growth) in the first quarter 2021 (12.8% of net revenue) to €19.5 million in 2022 (10.4%). This increase is mainly attributable to Indian spirit market.

Net revenue from operations in **Oceania** increased by €0.1 million (0.8% growth) from €8.3 million in the first quarter 2021, or 6.0% of net revenue, to €8.4 million in 2022, or 4.5% mainly due to the slight increase in Australia.

Net revenue from operations in **Africa** increased by €1.2 million (26.2% growth) from €4.4 million in the first quarter 2021 (3.2% of net revenue) to €5.6 million in 2022 (3.0%) driven by the increase in both South Africa and East Africa in the Spirits market.

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

OTHER OPERATING INCOME

Other operating income decreased by €0.3 million from €1.1 million in the first quarter 2021 (0.8% of net revenue) to €0.8 million in the first quarter 2022 (0.4%). The decrease is due to higher government grants received in the first quarter 2021 due to Covid-19.

INTERNAL WORK CAPITALISED

This caption decreased by €0.4 million from €1.2 million in the first quarter 2021 (0.9% of net revenue) to €0.8 million in the first quarter 2022 (0.4%). Internal work capitalised includes capitalised development expenditure and internal personnel expense for extraordinary maintenance on property, plant and equipment.

COSTS FOR RAW MATERIALS

Costs for raw materials increased by €28.4 million from €63.8 million in the first quarter 2021 (46.1% of net revenue) to €92.2 million in the first quarter 2022 (49.1%), due to the increase in the cost of strategic raw materials (plastic and aluminium) even though the increase in aluminium price was partially mitigated by the positive contribution of hedges entered in 2021 and by the increase in selling price.

COSTS FOR SERVICES

Costs for services increased by €13.3 million from €24.4 million in the first quarter 2021 (17.6% of net revenue) to €37.7 million in 2022 (20.1%). Compared to 2021, the increase is mainly due to higher utilities costs, both energy and gas, and the transportation costs.

PERSONNEL EXPENSE

Personnel expense increased by €1.7 million from €33.9 million in the first quarter 2021 to €35.6 million in 2022, due to increased activities in 2022, while the incidence on net revenue decreased from 24.5% in the first quarter 2021 to 18.9% in 2022.

OTHER OPERATING EXPENSE

The table below shows the detail of other operating expense in the two periods:

	First quarter		
(€'000)	**2021**	**2022**	**diff.**
Accruals to provisions	604	1,151	548
Taxes and duties	345	497	152
Use of third-party assets	430	490	60
Impairment losses on trade receivables and contract assets	23	324	300
Other charges	556	856	301
Total	**1,958**	**3,318**	**1,360**

Other operating expense increased by €1.4 million from €2.0 million in the first quarter 2021 (1.4% of net revenue) to €3.3 million in the first quarter 2022 (1.8%), mainly due to the higher accruals to provisions and to impairment losses on trade receivables in Ukraine deriving from the interruption of activities towards Russia.

IMPAIRMENT LOSSES

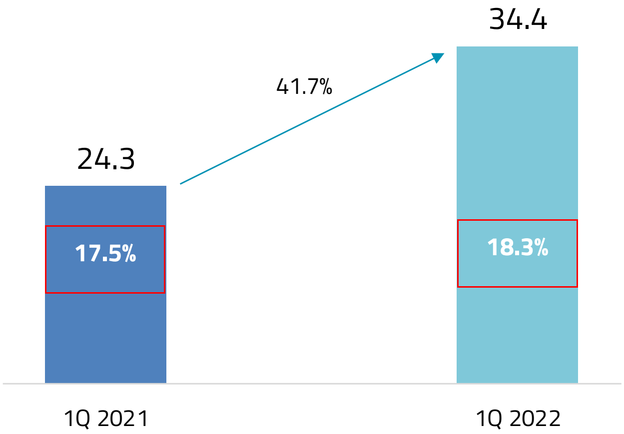
Impairment losses increased by €5.4 million from €0 million in the first quarter 2021 to €5.4 million in the first quarter 2022. Impairment losses mainly referred to the customer relationship of Guala Closures Technologia Ukraine LLC which has been impaired by €5 million due to the potential losses of the business in Russia.

ADJUSTED GROSS OPERATING PROFIT

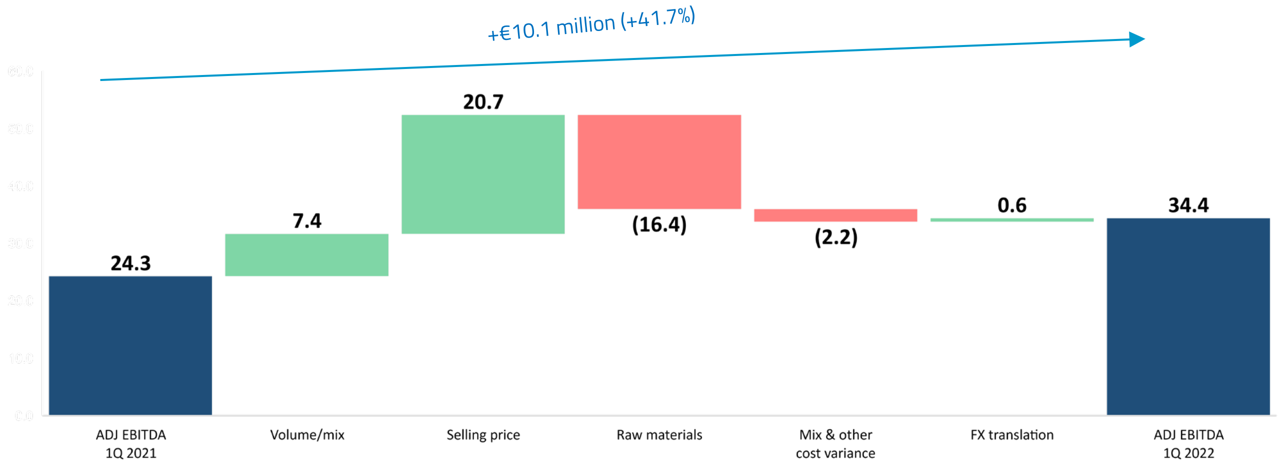
In the first quarter 2022, the adjusted gross operating profit (adjusted EBITDA) is €34.4 million, up €10.1 million (+41.7%) on the first quarter 2021 (€24.3 million), thanks to €7.4 million positive impact from the sales volume/mix and €20.7 million from selling price increase, partially offset by the negative impact of the increase in raw materials and other costs.

Adjusted gross operating profit margin increased from 17.5% in the first quarter 2021 to 18.3% in the first quarter 2022.

The following chart shows the trend in the adjusted gross operating profit (adjusted EBITDA) in 2022 compared to 2021.



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



The "**Volume/mix effect**" includes the variations due to the change in volume/mix of products sold and to the currency effect. It is calculated according to the following definitions:

- Volume/mix effect: it includes the volume/mix effect on sales plus/minus the volume/mix effect on costs, calculated applying the previous year impact (%) of production costs on current year net sales plus the change in inventories of finished goods and semi-finished products.
- Currency effect: it is generated by the sales and purchases in the first quarter 2022 accounted for in a currency other than the local reporting currency, recalculated based on the exchange rates for the first quarter 2021.

The volume/mix effect was positive in the first quarter 2022, totalling €7.4 million, mainly because of the group's higher sale volumes.

The "**Selling price effect**" is generated by the price effect calculated on sales.

The "**Raw materials effect**" is calculated by each subsidiary as the difference in the average purchase price of the current period versus the previous period, applied to the production volumes of the reporting period.
At group level, only the core business materials (plastic, aluminium and aluminium components) have been considered in the raw materials effect. The effect of other raw materials costs is included in "Mix & other cost variance".

"**Mix & other cost variance**" reflects the efficiency/inefficiency effect and the impact of the change in the purchase price of raw materials not considered as materials for the core business and the hyperinflation on the revaluation of the Argentinian peso following the application of IAS 29.

The "**Translation effect**" is generated at consolidation level following the translation into Euros of the adjusted gross operating profit or loss in local currency reported by subsidiaries.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation decreased by €2.2 million from €15.7 million in the first quarter 2021 (11.3% of net revenue) to €13.5 million in the first quarter 2022 (7.2%).
Such decrease was mainly due to the changes in useful life of intangible assets adopted at the end of 2021 and the revision in 2021 of useful life related to specific machinery based on a specific technical and economic analysis.

FINANCIAL INCOME AND EXPENSE

The following table shows the detail of financial income and expense by nature in the first quarter 2021 and 2022:

	First quarter		
(€'000)	**2021**	**2022**	**diff.**
Net interest expense	(4,830)	(4,801)	29
Net exchange gains/(losses)	(480)	3,296	3,776
Net fair value losses on market warrants	(1,780)	-	1,780
Net fair value gains on financial liabilities to non-controlling investors	348	638	290
Other net financial income/(expense)	(314)	165	479
Net financial expense	**(7,055)**	**(701)**	**6,354**

Net financial expense decreased by €6.4 million from €7.1 million in first quarter 2021 to €0.7 million in first quarter 2022.
Such decrease is mainly due to the €3.8 million positive impact on exchange rates (a loss of €0.5 million in first quarter 2021 versus a gain of €3.3 million in first quarter 2022), the €1.8 million positive effect of the change in the fair value of market warrants (a loss of €1.8 million in first quarter 2021 versus zero in first quarter 2022, as these instruments were delisted from the Italian Stock Exchange on July 2021), the €0.3 million positive effects of the change in fair value of financial liabilities to non-controlling investors, and the €0.5 million decrease of the other net financial income/(expense).
Net interest expense in first quarter 2022 are in line with first quarter 2021.

INCOME TAXES

The following table compares the income taxes in the first quarter 2021 and 2022:

	First quarter		
(€'000)	**2021**	**2022**	**diff.**
Current taxes	(4,031)	(5,887)	(1,856)
Changes in deferred taxes	2,659	4,076	1,417
Total income taxes	**(1,372)**	**(1,811)**	**(439)**

Income taxes increased by €0.4 million from €1.4 million in the first quarter 2021 to €1.8 million in the first quarter 2022 (incidence on net revenue unchanged at 1.0%), mainly due to higher current taxes due to higher profit before taxation.

PROFIT (LOSS) FOR THE PERIOD

The profit for the first quarter 2022 amounts to €9.9 million, up €10.4 million on the loss of €0.5 million for the first quarter 2021.

The increase in 2022 is mainly due to the increase in the gross operating profit (EBITDA) (€2.3 million), the reduction in amortisation and depreciation (€2.2 million), the decrease in net financial expense (€6.3 million), which have been partly offset by higher taxes (-€0.4 million).

Reclassified statement of financial position

The following table shows the reclassified financial position of the Guala Closures Group as at March 31, 2022 with comparative figures as at December 31, 2021:

(€'000)	December, 31 2021	March 31, 2022
Intangible assets	823,518	818,536
Property, plant and equipment	219,292	218,792
Right-of-use assets	15,525	17,062
Net working capital	139,083	164,975
Investment in associates	2,536	2,517
Net derivative assets	68	3,329
Employee benefits	(8,913)	(9,280)
Other net liabilities	(96,206)	(101,904)
Net invested capital	**1,094,904**	**1,114,027**
Financed by:		
Net financial liabilities	491,497	493,479
Financial liabilities - Lease	16,136	16,700
Financial liabilities - non-controlling investors	34,419	33,781
Market warrants	4	4
Cash and cash equivalents	(80,032)	(74,597)
Net financial indebtedness	**462,024**	**469,367**
Equity	632,880	644,660
Sources of financing	**1,094,904**	**1,114,027**

INTANGIBLE ASSETS

This caption decreased by €5.0 million from December 31, 2021 due to the impairments of €5.0 million of the customer relationship of Guala Closures Ukraine LLC due to potential losses of the business in Russia and to the amortisation for the period of €3.1 million, partially offset by the positive translation effect of €2.8 million and the increases of the period of €0.4 million.

PROPERTY, PLANT AND EQUIPMENT

The €0.5 million reduction in property, plant and equipment compared to December 31, 2021 mainly refers to the depreciation for the period (€8.8 million), partly offset by the net investments of the period (€6.4 million) and the positive translation effect (€3.4 million).
Net capital expenditure in 2022, totalling €6.4 million, refers to investments made to increase production capacity, develop new products, perform plant maintenance and EHS (Environment, Health and Safety) investments. Capex mainly refers to equipment across all five continents where the group operates, with a specific focus on the group's facilities in Italy, Poland, Bulgaria and Mexico.

RIGHT-OF-USE ASSETS

At March 31, 2022, right-of-use assets amount to €17.1 million and mainly relate to the leases of the facilities where the group operates. This caption increased by €1.5 million mainly due to the renewal of property leases.

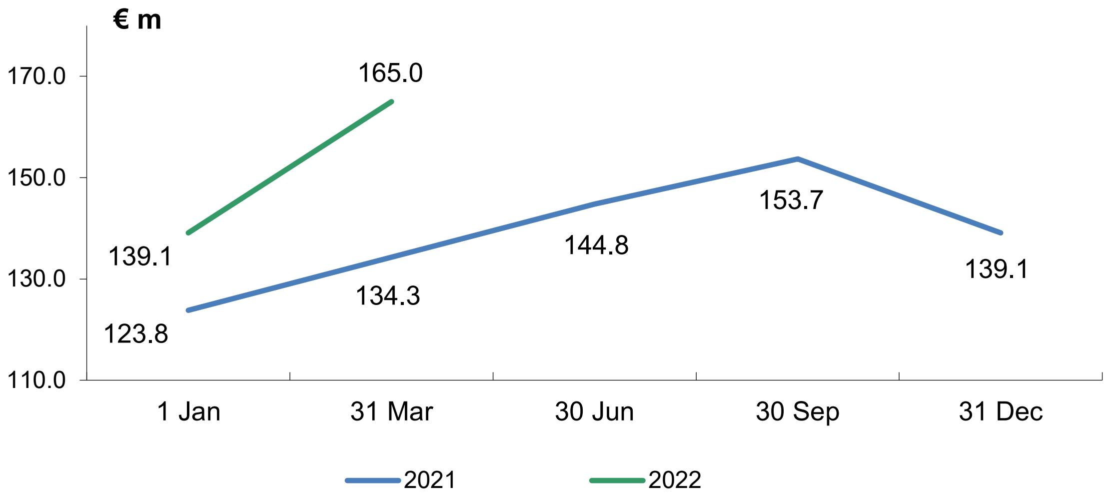
NET WORKING CAPITAL

The table below provides the breakdown of net working capital:

(€'000)	March 31, 2021	December 31, 2021	March 31, 2022
Inventories	116,589	120,265	138,871
Trade receivables	97,237	119,532	134,588
Trade payables	(79,514)	(100,714)	(108,484)
Net working capital (*)	**134,312**	**139,083**	**164,975**

(*) These figures do not match those used to calculate the change in working capital in the statement of cash flows for the applicable year 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

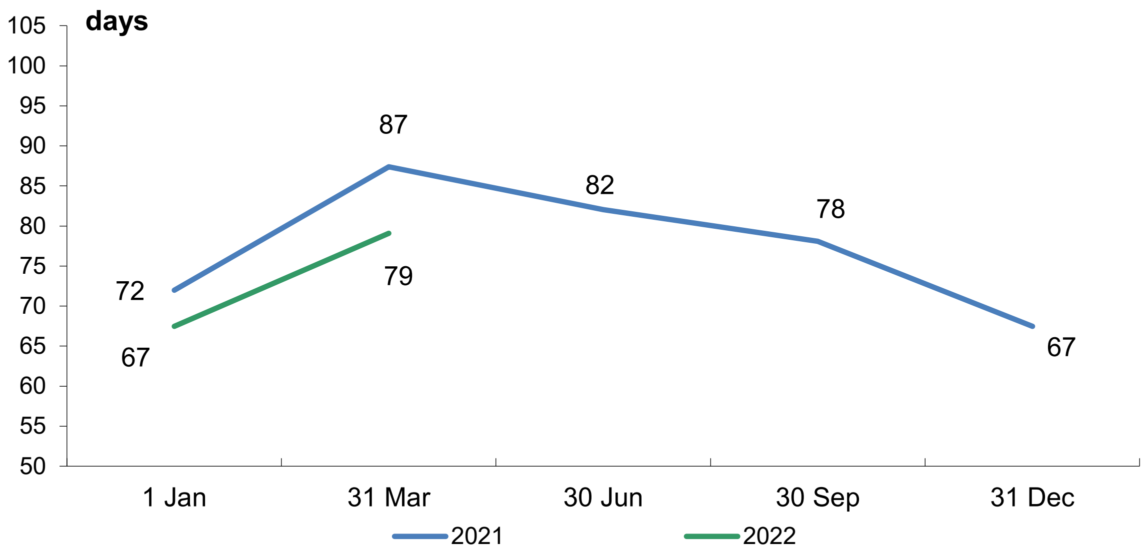
The chart below refers to the historical trend in net working capital by quarter:



Net working capital at March 31, 2022 amounts to €165.0 million, up €25.9 million on December 31, 2021, mainly due to the business seasonality and to the strong turnover increase.

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

Days	March 31, 2021	December 31, 2021	March 31, 2022
Inventories	76	58	67
Trade receivables	63	58	65
Trade payables	(52)	(49)	(52)
Net working capital days	**87**	**67**	**79**



Compared to December 31, 2021, net working capital days increased by twelve days at the end of March 2022 mainly due to the business seasonality, but decreased by eight days compared to the end of March 2021.
The impact of without-recourse factoring at March 31, 2022 amounts to €33.4 million, compared to €37.2 million at December 31, 2021 and €20.8 million at March 31, 2021. The increase is due to an overall increase in turnover with customers whose receivables are usually factored.
Total net working capital days excluding factoring would have increased from 86 days at the end of 2021 to 95 days at the end of March 2022, but decreased compared to 101 days at the end of March 2021.

OTHER NET LIABILITIES

Other net liabilities amount to €101.9 million at March 31, 2022, compared to €96.2 million at December 31, 2021. This caption mainly includes the net deferred tax liabilities (€65.1 million) mainly related to the increase in the group's identified assets as per the PPA procedure following the corporate reorganisation in 2018, payables to employees and social security (€17.4 million), provisions (€3.7 million), liabilities for dividends (€3.6 million), liabilities for investments (€3.2 million) and other net liabilities (€8.8 million).

(€'000)	**December 31, 2021**	**March 31, 2022**
Deferred tax assets	29,029	30,709
Deferred tax liabilities	(95,979)	(95,824)
Net DTA/(DTL)	**(66,950)**	**(65,114)**
Payables to employees and social security	(16,390)	(17,418)
Provisions	(2,817)	(3,730)
Liabilities for dividends	-	(3,628)
Liabilities for investments	(3,196)	(3,227)
Other net liabilities	(6,853)	(8,787)
Total net other liabilities	**(96,206)**	**(101,904)**

EQUITY

The table below shows a breakdown of equity:

(€'000)	December 31, 2021	March 31, 2022
Equity attributable to the owners of the parent	590,894	606,041
Equity attributable to non-controlling interests	41,985	38,619
Equity	**632,880**	**644,660**

The increase in equity is due to the profit for the period (€9.9 million), to the change in the translation reserve which increased by €3.5 million in the first quarter 2022 and to the increase of €2.3 million in the hedging reserve, partially offset by the distribution of dividends to non-controlling investors (€3.9 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, 2021	March 31, 2022
Net financial liabilities - third parties	491,497	493,479
Financial liabilities - Lease	16,136	16,700
Financial liabilities - non-controlling investors	34,419	33,781
Market warrants	4	4
Cash and cash equivalents	(80,032)	(74,597)
Net financial indebtedness	**462,024**	**469,367**

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.

Net financial indebtedness at March 31, 2022 was €469.4 million, with an increase of €7.3 million compared to the value at December 31, 2021 (€462.0 million). This increase was mainly due to the business seasonality, but it was lower than the increase recorded in the first quarter 2021 (€10.5 million).

The net financial indebtedness increased as a result of the absorption of cash flows generated by operating activities (€7.1 million) from the cash flows used in investing activities (€6.8 million) and in financing activities (€7.6 million).

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

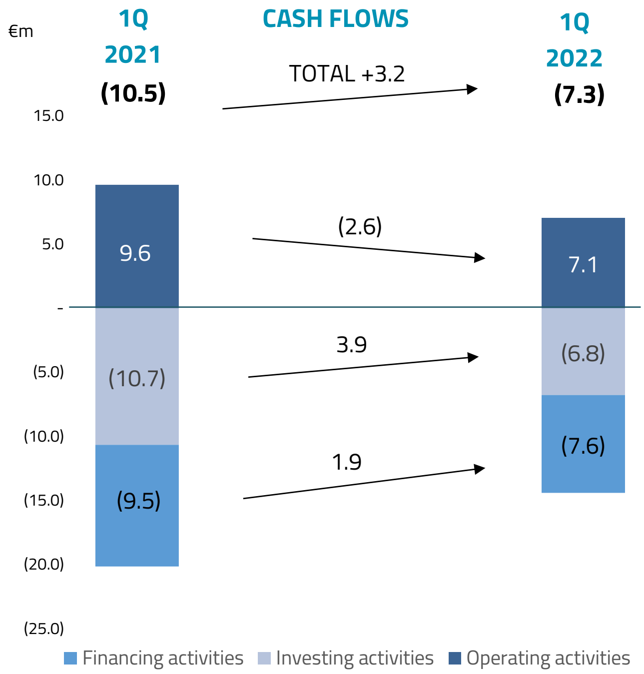
RECLASSIFIED STATEMENT OF CHANGES IN NET FINANCIAL INDEBTEDNESS

The reclassified statement of changes in net financial indebtedness for the first quarter 2022, compared to the first quarter 2021, is given below.

(€'000)	1Q 2021	1Q 2022
A) Opening net financial indebtedness	**(464,210)**	**(462,024)**
Gross operating profit	23,561	25,836
Net gains on sale of non-current assets	(327)	(60)
Change in net working capital	(7,865)	(23,151)
Other operating items	(129)	11,661
Taxes	(5,610)	(7,226)
B) Net cash flows from operating activities	**9,630**	**7,060**
Capex	(9,044)	(6,765)
Acquisition of non-controlling interest in SharpEnd (UK)	(1,608)	(0)
C) Cash flows used in investing activities	**(10,653)**	**(6,765)**
Increases in right-of-use assets	(1,675)	(1,688)
Transaction costs not yet paid on Bond issued in 2021	-	(298)
Net interest expense	(5,144)	(4,635)
Dividends paid	(568)	(191)
Change in financial liabilities for put options	348	638
Fair value gains (losses) on market warrants	(1,780)	-
Derivatives and other financial items	109	703
Effect of exchange fluctuation	(783)	(2,165)
D) Change in net financial indebtedness due to financing activities	**(9,493)**	**(7,637)**
E) Total change in net financial indebtedness (B+C+D)	**(10,516)**	**(7,343)**
F) Closing net financial indebtedness (A+E)	**(474,726)**	**(469,367)**

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 the first quarter 2022, compared to the first quarter 2021:



The increase of net financial indebtedness in the first quarter 2022 was €3.2 million lower than the increase recorded in first quarter 2021 (+€10.5 million) thanks to lower cash flows used for investing activities (€3.9 million) and lower cash flow used for financing activities (€1.9 million), partially offset by lower cash flows generated by operating activities (€2.6 million).

Net cash flows from operating activities

Net cash flows from operating activities was €7.1 million, down €2.6 million on the first quarter 2021 (€9.6 million). The lower operating cash flows was mainly due to the higher absorption from the change in net working capital (€15.3 million) and to the higher cash out for taxes (€1.6 million), partially offset by higher gross operating profit (EBITDA) (€2.3 million) and other operating items (€11.8 million).

The higher absorption from the change in net working capital is due to the strong increase in net revenue recorded in the first quarter 2022 compared to the first quarter 2021 and to the increase of raw materials prices.

The increase in other operating items mainly includes €5 million attributable to the impairment of the business relationship with customers to reflect the potential loss of the business with Russia.

Cash flows used in investing activities

Cash flows used in investing activities were €6.8 million, down €3.9 million on first quarter 2021 (€10.7 million). Such decrease is due to lower M&A activities (€1.6 million in the first quarter 2021 vs zero in the first quarter 2022) and lower capital expenditure (€2.3 million).
In relation to M&A activities, in 2021, the Group paid €1.6 million to acquire an additional 10% stake in the UK associate SharpEnd.

Change in net financial indebtedness due to financing activities

The change in net financial indebtedness due to financing activities in first quarter 2022 amounts to €7.6 million, down €1.9 million on first quarter 2021 (€9.5 million).

Such decrease refers to the following main positive effects:
- positive impact of the change in fair value on the market warrants (€1.8 million);
- lower net interest expense (€0.5 million);
- lower dividend paid (€0.4 million);
- higher decrease in fair value losses on non-controlling investors' put options (€0.3 million);
- effects of fair value of hedging derivatives on aluminium and other financial items (€0.6 million);

partially offset by the following negative factors:
- negative effect of exchange rate fluctuation (€1.4 million);
- partial payment of the residual transaction costs on Bond issued in 2021 (€ 0.3 million).

Current trading and outlook

- The trend already experienced in 2021 of customer research of innovative and sustainable premium closures is confirmed. In these segments (types) our 6 R&D centers are continuously working in order to offer customers increasingly distinctive solutions. Over 100 new models are expected to be launched in 2022;

- Raw material prices remain at high level and influenced by a certain degree of volatility. Energy cost and freights grew even more than raw material and no decrease is expected during the year, to the great increase in costs is also adding a theme of aluminum scarcity, even if our group has secured supplies in 2022 in line with its original budget. Price increase efforts are continuing and going to mitigate the impact of the cost increase;

- The situation related to the conflict in Ukraine and the potential impact on our Group has been fully described in paragraph "Russia – Ukraine conflict";

- The progressive return from Covid has allowed a market growth that has settled in the first quarter at higher levels than in the pre-pandemic period. In particular, double-digit growth in the horeca sector should be highlighted, where in particular we expect aluminum closures for mineral water to continue to grow in the remainder of the year; we are also confident that the other market segments in which the Group operates will also continue to show growth trends compared to last year.

Alternative performance indicators

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

Gross operating profit (EBITDA) is calculated by adjusting the profit (loss) for the year 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 year to exclude the effect of taxation, net financial expense, amortisation/depreciation and the effects of other costs, such as expense related to the SPSI public tender offer, reorganisation costs, expenses on mergers and acquisitions activities (M&A), losses due to war, impairment losses and losses on equity investments.

Operating profit is calculated by adjusting the profit (loss) for the year 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 SPSI public tender offer, reorganisation costs, expenses on mergers and acquisitions activities (M&A), losses due to war, impairment losses and losses on equity investments.

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

Adjusted gross operating profit

	First quarter	
(€'000)	**2021**	**2022**
Profit/(loss) for the period	(546)	9,858
Income taxes	1,372	1,811
Profit before tax	**827**	**11,670**
Net financial expense	7,055	701
Amortisation and depreciation	15,679	13,465
Gross operating profit	**23,561**	**25,836**
Adjustments:		
Public tender offer expenses	350	-
Reorganisation costs	266	857
Merger and acquisition expenses	-	1,000
Change in equity-accounted investments	84	19
Losses due to war	-	1,273
Impairment losses	-	5,390
Adjusted gross operating profit	**24,261**	**34,374**

Adjusted operating profit

	First quarter	
(€'000)	**2021**	**2022**
Profit/(loss) for the period	(546)	9,858
Income taxes	1,372	1,811
Profit before tax	**827**	**11,670**
Net financial expense	7,055	701
Operating profit	**7,882**	**12,371**
Adjustments:		
Public tender offer expenses	350	-
Reorganisation costs	266	857
Merger and acquisition expenses	-	1,000
Change in equity-accounted investments	84	19
Losses due to war	-	1,273
Impairment losses	-	5,390
Adjusted operating profit	**8,582**	**20,909**

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

Net financial indebtedness consists of financial liabilities minus cash and cash equivalents and financial assets as reconciled in Annex B) to this report "Reconciliation between the tables included in the directors' report and the 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 consolidate financial statements – financial income and expense

Annex B)

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

Annex C)

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

(€'000)

Classification in reclassified financial income and expense	1Q 2021	1Q 2022	Classification in the notes to the condensed interim consolidated financial statements (notes 13-14)
Net exchange losses	3,146	4,582	Exchange gains
Net exchange losses	(3,625)	(1,285)	Exchange losses
Net fair value gains (losses) on market warrants	(1,780)	-	Fair value losses on market warrants
Net fair value gains on financial liabilities to non-controlling investors	348	638	Financial income on financial liabilities to non-controlling investors
Net interest expense	23	66	Interest income
Net other financial expense	479	906	Other financial income
Net interest expense	(4,853)	(4,867)	Interest expense
Other net financial expense	(793)	(740)	Other financial expense
Total net financial expense	**(7,055)**	**(701)**	

Annex B)

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

(€'000)

Classification in the reclassified statement of financial position	December 31, 2021	March 31, 2022	Classification in the financial statements
Net working capital	119,532	134,588	Trade receivables
Net working capital	120,265	138,871	Inventories
Net working capital	(100,714)	(108,484)	Trade payables
Total net working capital	**139,083**	**164,975**	
Net derivative assets	127	3,329	Derivative assets
Net derivative liabilities	(58)	-	Derivative liabilities
Net derivative assets/(liabilities)	**68**	**3,329**	
Other net liabilities	5,831	5,395	Current direct tax assets
Other net liabilities	10,151	11,257	Current indirect tax assets
Other net liabilities	7,541	8,260	Other current assets
Other net liabilities	153	124	Contract costs
Other net liabilities	29,029	30,709	Deferred tax assets
Other net liabilities	394	489	Other non-current assets
Other net liabilities	(6,563)	(5,761)	Current direct tax liabilities
Other net liabilities	(9,990)	(9,953)	Current indirect tax liabilities
Other net liabilities	(2,594)	(3,504)	Current provisions
Other net liabilities	(985)	(1,866)	Contract liabilities
Other net liabilities	(32,939)	(40,975)	Other current liabilities
Other net liabilities	(95,979)	(95,824)	Deferred tax liabilities
Other net liabilities	(223)	(225)	Non-current provisions
Other net liabilities	(32)	(31)	Other non-current liabilities
Total net other liabilities	**(96,206)**	**(101,904)**	
Net financial liabilities - third parties	(165)	(193)	Current financial assets
Net financial liabilities - third parties	(394)	(393)	Non-current financial assets
Net financial liabilities - third parties	6,165	7,904	Current financial liabilities
Market warrants	4	4	Current financial liabilities
Financial liabilities - Lease	3,639	3,633	Current financial liabilities
Net financial liabilities - third parties	488,112	488,346	Non-current financial liabilities
Non controlling investors' put option	34,419	33,781	Non-current financial liabilities
Financial liabilities - Lease	10,276	10,882	Non-current financial liabilities
Cash and cash equivalents	(80,032)	(74,597)	Cash and cash equivalents
Total net financial indebtedness	**462,024**	**469,367**	

Annex C)

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

(€'000)

	March 31, 2021	March 31, 2022
Total change in net financial indebtedness	**(10,516)**	**(7,343)**
Increase in right-of-use assets	1,675	1,688
Proceeds from new borrowings and bonds	876	180
Repayment of borrowings and bonds	(3,609)	(2,904)
Repayment of finance leases	(1,257)	(1,121)
Translation effect on foreign currency assets and liabilities	652	115
Net fair value gains on non-controlling investors' put options	(348)	(638)
Change in liabilities for financial expense	2,260	4,912
Payment of transaction costs on bond issued in 2021	-	(298)
Change in financial assets	9	(27)
Total change in financial assets and liabilities	**257**	**1,908**
Total change in cash and cash equivalents	**(10,259)**	**(5,435)**

Condensed interim consolidated financial statetments at March 31, 2022

Statement of profit or loss

For the three months ended March 31 (€'000)	2021 (*)	2022	Note
Net revenue	**138,335**	**187,760**	6
Change in finished goods and semi-finished products	6,871	10,587	
Other operating income	1,120	765	7
Internal work capitalised	1,233	843	8
Costs for raw materials	(63,778)	(92,166)	9
Costs for services	(24,369)	(37,670)	10
Personnel expense	(33,894)	(35,575)	11
Other operating expense	(1,851)	(2,976)	12
Impairment losses on trade receivables and contract assets	(23)	(324)	
Impairment losses	(0)	(5,390)	19-21
Amortisation and depreciation	(15,679)	(13,465)	19-20-21
Financial income	3,996	6,191	13
Financial expense	(11,052)	(6,892)	14
Share of loss of equity-accounted investees, net of the tax effect	(84)	(19)	
Profit before taxation	**827**	**11,670**	
Income taxes	(1,372)	(1,811)	15
Profit (loss) for the period	**(546)**	**9,858**	
Attributable to:			
- the owners of the parent	(2,635)	8,459	
- non-controlling interests	2,089	1,399	

Statement of profit or loss and other comprehensive income

(€'000)	2021 (*)	2022
Profit (loss) for the period	**(546)**	**9,858**
Other comprehensive income (expense):		
Actuarial gains on defined benefit plans	341	(0)
Taxes on items that will not be reclassified to profit or loss	(104)	-
Items that will not be reclassified to profit or loss:	***237***	***(0)***
Foreign currency translation differences for foreign operations	9,017	3,549
Hedging reserve	167	3,387
Hedging reserve for cash flow hedges reclassified to profit or loss	(695)	(126)
Tax on items that will or may be reclassified subsequently to profit or loss	156	(964)
Items that will or may be reclassified subsequently to profit or loss:	**8,645**	**5,845**
Other comprehensive income (expense) for the period, net of tax	**8,882**	**5,845**
Comprehensive income (expense) for the period	**8,336**	**15,704**
Attributable to:		
- the owners of the parent	5,331	15,147
- non-controlling interests	3,006	557

(*) The comparative figures for the first quarter 2021 were restated to be consistent with 2022 classification.

The notes on pages 49 to 83 are an integral part of these condensed interim consolidated financial statements.

Statement of financial position – ASSETS

(€'000)	December 31, 2021	March 31, 2022	Note
ASSETS			
Current assets			
Cash and cash equivalents	80,032	74,597	16
Current financial assets	165	193	
Trade receivables	119,532	134,588	17
Inventories	120,265	138,871	18
Current direct tax assets	5,831	5,395	
Current indirect tax assets	10,151	11,257	
Derivative assets	127	3,329	
Other current assets	7,541	8,260	
Total current assets	**343,644**	**376,491**	
Non-current assets			
Non-current financial assets	394	393	
Investments in associates	2,536	2,517	
Property, plant and equipment	219,292	218,792	19
Right-of-use assets	15,525	17,062	20
Intangible assets	823,518	818,536	21
Contract costs	153	124	
Deferred tax assets	29,029	30,709	
Other non-current assets	394	489	
Total non-current assets	**1,090,841**	**1,088,622**	
TOTAL ASSETS	**1,434,485**	**1,465,113**	

The notes on pages 49 to 83 are an integral part of these condensed interim consolidated financial statements.

Statement of financial position - LIABILITIES

(€'000)	December 31, 2021	March 31, 2022	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	9,808	11,541	22
Trade payables	100,714	108,484	23
Contract liabilities	985	1,866	
Current direct tax liabilities	6,563	5,761	
Current indirect tax liabilities	9,990	9,953	
Current provisions	2,594	3,504	24
Derivative liabilities	58	-	
Other current liabilities	32,939	40,975	25
Total current liabilities	**163,651**	**182,084**	
Non-current liabilities			
Non-current financial liabilities	532,807	533,009	22
Employee benefits	8,913	9,280	
Deferred tax liabilities	95,979	95,824	
Non-current provisions	223	225	24
Other non-current liabilities	32	31	
Total non-current liabilities	**637,954**	**638,369**	
Total liabilities	**801,605**	**820,453**	
Share capital and reserves attributable to non-controlling interests	33,209	37,220	
Profit for the period attributable to non-controlling interests	8,776	1,399	
Equity attributable to non-controlling interests	**41,985**	**38,619**	**27**
Share capital	68,907	68,907	
Share premium reserve	423,837	423,837	
Legal reserve	1,824	1,824	
Translation reserve	(11,764)	(7,373)	
Hedging reserve	48	2,345	
Retained earnings and other reserves	108,826	108,044	
Profit / (loss) for the period	(782)	8,459	
Equity attributable to the owners of the parent	**590,894**	**606,041**	**26**
Total equity	**632,880**	**644,660**	
TOTAL LIABILITIES AND EQUITY	**1,434,485**	**1,465,113**	

The notes on pages 49 to 83 are an integral part of these condensed interim consolidated financial statements.

Statement of cash flows

(€'000)	1Q 2021	1Q 2022	Note
Opening cash and cash equivalents	**63,882**	**80,032**	
A) Cash flows from operating activities			
Profit (loss) before taxation	827	11,670	
Adjustments:			
Amortization and depreciation	15,679	13,465	19-20-21
Financial income	(3,996)	(6,191)	
Financial expense	11,052	6,892	
Impairment losses	0	5,390	
Share of loss of equity-accounted investees, net of the tax effect	84	19	
Net gains on sale of non-current assets	(327)	(60)	
Variation:			
Receivables	(3,058)	(13,555)	17
Payables	9,817	7,680	23
Inventories	(14,625)	(17,276)	18
Other operating items	(213)	6,252	
VAT and indirect tax assets/liabilities	(1,174)	(1,167)	
Income taxes paid	(4,436)	(6,058)	
Net cash flows from operating activities	**9,630**	**7,060**	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(9,372)	(6,843)	19-20-21
Proceeds from sale of property, plant and equipment and intangible assets	327	78	19-20-21
Acquisition of non-controlling interest in SharpEnd (UK)	(1,608)	(0)	
Net cash flows used in investing activities	**(10,653)**	**(6,765)**	
C) Cash flows from financing activities			
Interest received	503	1,610	
Interest paid	(5,138)	(1,625)	
Transaction costs paid for bonds issued in 2021	-	(298)	
Other financial items	80	697	
Dividends paid	(568)	(191)	
Proceeds from new borrowings and bonds	876	180	22
Repayment of borrowings and bonds	(3,609)	(2,904)	22
Repayment of leases	(1,257)	(1,121)	
Change in financial assets	9	(27)	
Net cash flows from (used in) financing activities	**(9,105)**	**(3,679)**	
Net cash flows of the period	**(10,128)**	**(3,385)**	
Effect of exchange fluctuations on cash held	(131)	(2,049)	
Closing cash and cash equivalents	**53,623**	**74,597**	**16**

The notes on pages 49 to 83 are an integral part of these condensed interim consolidated financial statements.

Statement of changes in equity

(€'000)	January 1, 2021	Allocation of 2020 result	Profit (loss) for the period	Other comprehensive expense	Comprehensive expense for the period	Dividends	Total transactions with owners	March 31, 2021
	A)	B)			C)		D)	A)+B)+C)+D)
Attributable to the owners of the parent:								
Share capital	68,907				-		-	**68,907**
Share premium reserve	423,837				-		-	**423,837**
Legal reserve	1,266	-			-		-	**1,266**
Translation reserve	(25,679)			8,101	**8,101**		-	**(17,579)**
Hedging reserve	449			(372)	**(372)**		-	**77**
Retained earnings and other reserves	123,583	(14,546)		237	**237**		-	**109,274**
Profit (loss) for the period	(14,546)	14,546	(2,635)		**(2,635)**		-	**(2,635)**
Equity	**577,817**	-	**(2,635)**	**7,966**	**5,331**	-	-	**583,147**
Non-controlling interests:								
Share capital and reserves	29,515	8,627	-	916	**916**	(5,874)	**(5,874)**	**33,185**
Profit for the period	8,627	(8,627)	2,089		**2,089**		-	**2,089**
Equity	**38,143**	-	**2,089**	**916**	**3,006**	**(5,874)**	**(5,874)**	**35,274**
Total equity	**615,959**	-	**(546)**	**8,882**	**8,336**	**(5,874)**	**(5,874)**	**618,422**

(€'000)	January 1, 2022	Allocation of 2021 result	Profit for the period	Other comprehensive income	Comprehensive income for the period	Dividends	Total transactions with owners	March 31, 2022
	A)	B)			C)		D)	A)+B)+C)+D)
Attributable to the owners of the parent:								
Share capital	68,907				-		-	**68,907**
Share premium reserve	423,837				-		-	**423,837**
Legal reserve	1,824	-			-		-	**1,824**
Translation reserve	(11,764)			4,391	**4,391**		-	**(7,373)**
Hedging reserve	48			2,297	**2,297**		-	**2,345**
Retained earnings and other reserves	108,826	(782)		0	**0**		-	**108,044**
Profit (loss) for the period	(782)	782	8,459		**8,459**		-	**8,459**
Equity	**590,894**	-	**8,459**	**6,688**	**15,147**	-	-	**606,041**
Non-controlling interests:								
Share capital and reserves	33,209	8,776		(843)	**(843)**	(3,923)	(3,923)	**37,220**
Profit for the period	8,776	(8,776)	1,399		**1,399**	-	-	**1,399**
Equity	**41,985**	-	**1,399**	**(843)**	**557**	**(3,923)**	**(3,923)**	**38,619**
Total equity	**632,880**	-	**9,858**	**5,845**	**15,704**	**(3,923)**	**(3,923)**	**644,660**

The notes on pages 49 to 83 are an integral part of these condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements at March 31, 2022

General information

(1) General information

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

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. The group is also active in the production of PET plastic preforms and bottles.

The group's activities are separated into two divisions:

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

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

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

(2) Accounting policies

These condensed interim consolidated financial statements at March 31, 2022 have been prepared in accordance with IAS 34 - Interim Financial Reporting endorsed by European Union.
Except for that set out in the 3 "Changes to standards" section, 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, 2021, 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.
3M/1Q mean 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, market warrants and contingent consideration arising in a business combination (i.e., the non-controlling investors' put options) which are measured at fair value and investments in associates which are measured using the equity method. They have been prepared on a going concern basis. There are no business risks and/or any identified uncertainties which may cast doubts on the group's ability to continue as a going concern.

The condensed interim consolidated financial statements comprise the following schedules:

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

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.

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. 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, 2022

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

(*) Reference should be made to the chart illustrating the group structure for further details on the indirect investments.
The table does not include the figures for Metal Closures Group Trustee Ltd. (the company that manages the Metal Closures pension schemes) as they are not consolidated due to their immaterial size.

(**) 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 2021**	**1Q 2022**	**December 31, 2021**	**March 31, 2022**
Pound sterling	0.87469	0.83643	0.8403	0.8460
US dollar	1.20560	1.12250	1.1326	1.1101
Indian rupee	87.90807	84.41727	84.2292	84.1340
Mexican peso	24.51637	23.00583	23.1438	22.0903
Colombian peso	4,284.79333	4,397.11000	4,598.6800	4,167.3800
Brazilian real	6.59277	5.88200	6.3101	5.3009
Chinese renmimbi	7.81103	7.12650	7.1947	7.0403
Argentine peso	107.81450	123.10200	116.3622	123.1020
Polish zloty	4.54307	4.61770	4.5969	4.6531
New Zealand dollar	1.67707	1.66067	1.6579	1.6014
Australian dollar	1.56043	1.55137	1.5615	1.4829
Ukrainian hryvnia	33.70643	32.29720	30.9219	32.4759
Bulgarian lev	1.95580	1.95580	1.9558	1.9558
South African rand	18.0403	17.1029	18.0625	16.1727
Japanese yen	127.7270	130.4588	130.3800	135.1700
Chilean peso	872.8233	908.5733	964.3500	875.8100
Kenyan shilling	132.3112	127.7397	128.1495	127.6381
Turkish lira	8.9048	15.6553	15.2335	16.2823

The average rates are used for the statement of profit or loss and the statement of profit or loss and other comprehensive income captions while the spot rates are used for the statement of financial position captions.

(3) Changes to standards

The new standards and/or amendments thereto applicable to annual reporting periods beginning on or after January 1, 2022 are set out below.

- Reference to Conceptual Framework (Amendments to IFRS 3): The changes in Reference to the Conceptual Framework (Amendments to IFRS 3):
    - update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
    - add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination;
    - and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16): amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- Onerous contracts - Costs of fulfilling a contract (Amendments to IAS 37): specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- Annual improvements to IFRS Standards (Cycle 2018–2020), containing the following amendments to IFRSs:
    - IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
    - IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
    - IFRS 16 Leases - Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
    - IAS 41 Agriculture - Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

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

In addition, the following list includes the recent changes to the standards or amendments that are required to be applied for an annual period beginning after January 1, 2022 and that are available for early adoption in annual periods beginning on January 1, 2022:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Amendments to IAS 12 - 'Income Taxes' Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 6 May 2021)
- IFRS 17 - Insurance contracts and Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 – Comparative Information Insurance contracts
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8

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.

(4) Operating segments

Reportable segments are the Group's strategic divisions as determined in accordance with the quantitative and qualitative requirements of IFRS 8.

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

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

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

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

(€'000)	Closures		Other operations		Total	
	First quarter 2021	First quarter 2022	First quarter 2021	First quarter 2022	First quarter 2021	First quarter 2022
Net revenue	137,822	186,765	513	995	138,335	187,760
Amortisation and depreciation	(15,618)	(13,405)	(61)	(60)	(15,679)	(13,465)
Financial income	3,996	6,191	-	-	3,996	6,191
Financial expense	(11,052)	(6,892)	-	-	(11,052)	(6,892)
Share of loss of equity-accounted investees, net of the tax effect	(84)	(19)	-	-	(84)	(19)
Profit (loss) before taxation	864	11,715	(38)	(45)	827	11,670
Net capex (*)	9,044	6,765	-	0	9,044	6,765

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

(€'000)	**Closures**		**Other operations**		**Total**	
	December 31, 2021	**March 31, 2022**	**December 31, 2021**	**March 31, 2022**	**December 31, 2021**	**March 31, 2022**
Trade receivables	119,336	134,484	196	104	119,532	134,588
Inventories	119,543	138,079	721	792	120,265	138,871
Trade payables	(100,680)	(108,406)	(33)	(78)	(100,714)	(108,484)
Property, plant and equipment and Right of use assets	233,641	234,744	1,176	1,109	234,817	235,853

Reporting by geographical segment

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

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

(€'000)	**First quarter 2021**	**First quarter 2022**
United Kingdom	23,226	34,342
Italy	15,682	22,773
Poland	14,867	19,614
Mexico	10,587	18,747
India	15,970	18,114
Spain	6,564	10,949
Germany	6,978	10,258
North America	7,601	9,960
Australia	5,506	5,822
Ukraine	5,930	5,751
France	3,431	4,772
Argentina	4,013	4,677
South Africa	3,443	4,074
Other countries	14,537	17,907
Net revenue	**138,335**	**187,760**

	Non-current assets other than financial instruments and deferred tax assets: property, plant and equipment, rights of use assets and intangible assets		Deferred tax assets	
(€'000)	**December 31, 2021**	**March 31, 2022**	**December 31, 2021**	**March 31, 2022**
Italy	577,220	576,549	15,765	16,169
Australia	84,274	88,294	2,140	2,204
India	59,680	58,270	1,201	1,337
Poland	49,842	48,824	-	-
Spain	38,634	38,350	685	771
Mexico	34,928	37,649	50	52
Ukraine	31,828	24,222	-	-
South Africa	12,940	14,289	517	577
Germany	11,082	11,031	2,364	2,544
New Zealand	10,959	10,959	207	221
Brazil	9,497	11,182	-	-
Chile	7,395	8,011	1,729	1,740
China	7,444	7,444	234	239
Argentina	4,348	4,564	533	931
Other countries	59,182	59,208	2,484	2,723
Consolidation adjustmenst	59,080	55,542	1,120	1,201
Total	**1,058,335**	**1,054,389**	**29,029**	**30,709**

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

Information about key customers

In the Closures segment, there is one customer that generated over 10% of revenue in the first quarter 2022 for an amount of around €28 million (roughly 15% of net revenue).

(5) Russia - Ukraine conflict

The recent optimism after the winding-down of the pandemic has been largely disrupted since the outbreak of the Russian invasion of Ukraine, together with the increasing global geopolitical tensions that began at the end of February 2022.
On February 24, 2022, as a result of the start of the war, GC Ukraine was forced to shut down the factory located in Sumy. All the employees were evacuated and safe. No damage was suffered in relation to the assets of the company.

The group promptly reacted supporting the humanitarian efforts in Ukraine through donations to Red Cross, the organization of humanitarian transports of essential supplies and the hosting of some employees families.

In the first three months 2022 the company realized revenues for an amount of approximately €16 million and an EBITDA of approximately €3.3 (respectively €14 million and €3.8 million in the first three months 2021) million that included accruals linked to potential losses due to the conflict for an amount of €1.3 million, with net assets of €49 million.

About half of the annual turnover of the company was realized with 3rd parties of which 50% with customers located in Ukraine and Russia. In 2021, roughly 2.7% of Group net revenue was realized towards Russian local customers and 1.6% towards Ukrainian local customers. Intragroup sales are mainly realized with GC S.p.A., GC North America and GC Belarus with sales of aluminium shells and components.

At March 31, 2022 GC Ukraine had €1.2 million of trade receivables towards Russian customers, €5.2 million towards Ukrainian customers and €6.3 million towards GC Belarus, of which respectively €0.1 million, €2.5 million and €4.4 million collected as of the date of this report.

We continue to monitor the situation as it evolves and contingency plans have been implemented to mitigate the potential impacts on the customers and the group. In particular we started immediately to relocate the productions for international customers in other group plants also considering extraordinary capex expenditures to adapt production lines for closure models previously made in Ukraine.
The backup plan adopted and the inventory quantities available at the end of February 2022 limited the loss of orders (at the moment not significant) from international customers that we are confident to recover in the next months. No sales were done to the local Russian customers after March 2022 from Group companies.

From end of March, the production in Ukraine restarted, but with less employees involved. Sumy returned under the control of Sumy Regional State Administration and many business activities are restarting.

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

GC Belarus revenues are mostly to Russia, selling closures produced from aluminium shells and components purchased from Ukraine. In the first three months 2022 the company realized revenues for an amount of approximately €2.6 million and an EBITDA of approximately €0.1 million (respectively €2.5 million and €0.1 million in the first three months 2021) with a net asset of €0.4 million.
At March 31, 2022 GC Belarus had €2.4 million of trade receivables towards Russian customers, of which €2.2 million collected as of the date of this report.
Due to the lack of supply and freeze of sales to Russian local customers, GC Belarus is not operating since March.

An accrual of around €1.3 million has been accounted for in relation to inventory product hold for Russian market, the increase of expected credit loss estimation on trade receivable due to the increasing risk of local market and the additional extra charges deriving from the interruption of activities towards Russia and Belarus.

Furthermore the Group accounted for an impairment of €5 million on the customer relationship attributable to the Russian market following the lack of visibility on the ongoing business in the Russian market.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(6) Net revenue

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

	First quarter	
(€'000)	**2021**	**2022**
Europe	80,086	112,889
Asia	17,665	19,525
Americas	27,814	41,347
Oceania	8,337	8,407
Africa	4,433	5,593
Total	**138,335**	**187,760**

The table below illustrates net revenue by product:

	First quarter	
(€'000)	**2021**	**2022**
Safety closures	53,048	68,720
Luxury closures	7,288	14,765
Roll-on closures	73,513	96,709
Other revenue	4,487	7,566
Total	**138,335**	**187,760**

The table below illustrates net revenue by destination market:

	First quarter	
(€'000)	**2021**	**2022**
Spirits closures	86,414	116,948
Wine closures	29,337	34,494
Olive oil & condiments closures	3,443	4,865
Water closures	9,323	15,969
Non-alcoholic beverages closures	3,126	4,089
Closures for other markets	6,692	11,395
Total	**138,335**	**187,760**

(7) Other operating income

This caption includes:

(€'000)	First quarter 2021 (*)	First quarter 2022
Sundry recoveries/repayments	240	518
Government assistance	529	83
Gains on sale of non-current assets	327	60
Other	24	104
Total	**1,120**	**765**

(*) The comparative figures for the first quarter 2021 were restated to be consistent with 2022 classification.

(8) Internal work capitalised

(€'000)	First quarter 2021	First quarter 2022
Internal work capitalised	1,233	843
Total	**1,233**	**843**

(9) Costs for raw materials

This caption includes:

(€'000)	First quarter 2021 (*)	First quarter 2022
Raw materials and supplies	65,315	90,652
Packaging	2,930	3,884
Consumables and maintenance	2,346	2,737
Fuels	86	147
Other purchases	875	1,486
Change in inventories	(7,775)	(6,739)
Total	**63,778**	**92,166**

(*) The comparative figures for the first quarter 2021 were restated to be consistent with 2022 classification.

(10) Costs for services

This caption includes:

(€'000)	First quarter	
	2021 (*)	**2022**
Electricity / heating	6,731	12,292
Transport	6,160	9,448
Sundry industrial services	1,439	2,526
Maintenance	2,174	2,289
External processing	1,510	2,267
Legal and consulting fees	1,753	2,233
Technical assistance	409	1,117
Administrative services	787	852
Insurance	692	789
Travel	418	679
Directors' fees	226	606
Cleaning service	388	421
External labour / porterage	277	410
Commissions	303	362
Advertising services	130	243
Telephone costs	171	180
Security	105	151
Entertainment expenses	108	102
Commercial services	78	97
Expos and trade fairs	14	59
Other	497	546
Total	**24,369**	**37,670**

(*) The comparative figures for the first quarter 2021 were restated to be consistent with 2022 classification.

(11) Personnel expense

This caption includes:

(€'000)	First quarter	
	2021	**2022**
Wages and salaries	26,777	28,459
Social security contributions	3,865	4,258
Expense from defined benefit plans	515	483
Other costs	2,737	2,375
Total	**33,894**	**35,575**

Details of fees paid to the key management personnel are provided in note 30) Related party transactions.

At March 31, 2021 and 2022, the group had the following number of employees:

	December 31, 2021	March 31, 2022
Blue collars	3,523	3,536
White collars	1,040	1,037
Managers	296	294
Total	**4,859**	**4,867**

(12) Other operating expense

This caption includes:

	First quarter	
(€'000)	2021	2022
Accruals to provisions	604	1,151
Taxes and duties	345	497
Use of third-party assets	430	490
Other charges	472	838
Total	**1,851**	**2,976**

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

(13) Financial income

This caption includes:

	First quarter	
(€'000)	2021	2022
Exchange gains	3,146	4,582
Interest income	23	66
Financial income on financial liabilities to non-controlling investors	348	638
Other financial income	479	906
Total	**3,996**	**6,191**

(14) Financial expense

This caption includes:

	First quarter	
(€'000)	**2021**	**2022**
Interest expense	4,853	4,867
Exchange losses	3,625	1,285
Fair value losses on market warrants	1,780	-
Other financial expense	793	740
Total	**11,052**	**6,892**

Interest expense of €4.9 million mainly refers to the Guala Closures S.p.A. bond.

In the first quarter 2022 there were no changes in fair value of market warrants following to the delisting on July 20, 2021.

Other financial expense for the year 2022 includes €740 thousand related to the application of IFRS 16 (€793 thousand in 2021).

(15) Income taxes

This caption includes:

	First quarter	
(€'000)	**2021**	**2022**
Current taxes	(4,031)	(5,887)
Deferred taxes	2,659	4,076
Total	**(1,372)**	**(1,811)**

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 (€-964 thousand), as described in the following table:

Change in deferred tax liabilities recognised directly in OCI

(€'000)	**2021**	**2022**
Change in deferred tax liabilities on fair value adjustments on cash flow hedges	156	(964)
Taxes on items that will not be reclassified to profit or loss	(104)	-
Total	**52**	**(964)**

Statement of financial position

(16) Cash and cash equivalents

Cash and cash equivalents totalled €74,597 thousand at March 31, 2022 (€80,032 thousand at December 31, 2021).

(17) Trade receivables

This caption may be analysed as follows:

(€'000)	December 31, 2021	March 31, 2022
Trade receivables	121,731	137,069
Loss allowance	(2,199)	(2,481)
Total	**119,532**	**134,588**

The balance of trade receivables reflects the various group companies' use of reverse without-recourse factoring. This impact at March 31, 2022 was €33.4 million, compared to €37.2 million at December 31, 2021 and to €20.8 million at March 31, 2021.

The loss allowance changed as follows:

(€'000)	March 31, 2022
Opening balance	2,199
Net exchange losses	(17)
Impairment losses	324
Utilisations/releases of the year	(25)
Closing balance	**2,481**

At March 31, 2022, the allowance relates to a few customers that have indicated that they do not expect to be able to pay their outstanding balances, mainly due to their financial difficulties.

(18) Inventories

This caption may be analysed as follows:

(€'000)	December 31, 2021	March 31, 2022
Raw materials, consumables and supplies	67,977	75,008
Allowance for inventory write-down	(4,279)	(4,252)
Work in progress and semi-finished products	28,401	35,077
Allowance for inventory write-down	(1,058)	(1,585)
Finished products and goods	30,257	36,143
Allowance for inventory write-down	(1,336)	(1,771)
Payments on account	303	250
Total	**120,265**	**138,871**

Changes in 2022 are as follows:

(€'000)	
January 1, 2022	120,265
Exchange gains	1,333
Change in raw materials, consumables and supplies	6,739
Change in finished goods and semi-finished products	10,587
Change in payments on account	(53)
March 31, 2022	**138,871**

The allowance for inventory write-down changed as follows:

(€'000)	March 31, 2022
Opening balance	6,673
Net exchange gains	44
Accruals	891
Closing balance	**7,608**

The increase in stock obsolescence is mainly due to the adoption of a more conservative approach for those items no-moved over one year.

(19) Property, plant and equipment

The following table shows the changes in this caption in 2022:

(€'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, 2021	63,326	239,555	24,881	3,747	9,021	**340,530**
Accumulated depreciation and impairment losses at December 31, 2021	(7,320)	(101,539)	(10,317)	(2,062)	-	**(121,238)**
Carrying amount at December 31, 2021	**56,006**	**138,017**	**14,563**	**1,685**	**9,021**	**219,292**
Net exchange gains	661	1,573	73	12	1,044	**3,362**
Increases	38	559	14	181	5,629	**6,423**
Disposals	-	(9)	(5)	-	(3)	**(18)**
Impairments	-	-	-	-	(362)	**(362)**
Reclassifications	188	689	378	(3)	(2,332)	**(1,080)**
Depreciation	(541)	(7,618)	(545)	(122)	-	**(8,826)**
Historical cost at March 31, 2022	64,286	242,526	24,933	3,899	12,998	**348,643**
Accumulated depreciation and impairment losses at March 31, 2022	(7,934)	(109,315)	(10,456)	(2,146)	-	**(129,851)**
Carrying amount at March 31, 2022	**56,352**	**133,211**	**14,478**	**1,753**	**12,998**	**218,792**

In 2021, net capex of €6.4 million mainly refers to investments made to increase production capacity, develop new products, perform plant maintenance and EHS (Environment, Health and Safety) investments.

Capital expenditures are still mainly classified as Assets under construction and refer to equipment across all five continents where the group operates, with a specific focus in Italy, Poland, Bulgaria 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 period, 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 2022:

(€'000)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Historical cost at December 31, 2021	21,970	2,914	3,279	3,966	**32,128**
Accumulated depreciation and impairment losses at December 31, 2021	(10,278)	(1,768)	(2,170)	(2,386)	**(16,603)**
Carrying amount at December 31, 2021	**11,691**	**1,146**	**1,108**	**1,579**	**15,525**
Net exchange gains	210	42	9	9	**270**
Increases	1,137	89	380	82	**1,688**
Reclassifications	-	1,080	-	-	**1,080**
Depreciation of right-of-use assets	(918)	(202)	(180)	(202)	**(1,502)**
Historical cost at March 31, 2022	23,313	4,125	3,668	4,057	**35,163**
Accumulated depreciation and impairment losses at March 31, 2022	(11,193)	(1,970)	(2,350)	(2,588)	**(18,101)**
Carrying amount at March 31, 2022	**12,120**	**2,155**	**1,318**	**1,469**	**17,062**

The main increases in right-of-use assets relate to land and buildings, specifically for the rent of new spaces.

(21) Intangible assets

The following table shows the changes in this caption in 2022:

(€'000)	Development expenditure	Licences and patents	Goodwill	Other	Assets under development and payments on account	Total
Historical cost at December 31, 2021	5,195	133,397	505,224	242,264	2,440	**888,521**
Accumulated depreciation and impairment losses at December 31, 2021	(2,760)	(31,532)	-	(30,711)	-	**(65,002)**
Carrying amount at December 31, 2021	**2,435**	**101,865**	**505,224**	**211,554**	**2,440**	**823,518**
Net exchange gains (losses)	5	8	(0)	2,710	56	**2,779**
Increases	78	0	-	3	325	**407**
Impairments	-	-	-	(5,028)	-	**(5,028)**
Amortisation	(192)	(1,068)	-	(1,880)	-	**(3,141)**
Historical cost at March 31, 2022	5,273	133,420	505,224	245,391	2,822	**892,130**
Accumulated depreciation and impairment losses at March 31, 2022	(2,947)	(32,615)	-	(38,032)	-	**(73,593)**
Carrying amount at March 31, 2022	**2,326**	**100,805**	**505,224**	**207,359**	**2,822**	**818,536**

This caption decreased from December 31, 2021 due to the impairment of the business relationship with customer of €5.0 million to reflect the potential loss of the business with Russia (refer to note 5) Russia – Ukraine conflict for further information) and the amortisation for the period of €3.1 million, partially offset by the positive translation effect of €2.8 million and the increases of the period of €0.4 million.

Licences and patents mainly refer to the Guala Closures Trademark which is not amortized starting from 2021 as it has an indefinite useful life and is tested annually for impairment. The main economic and financial indicators of the Group for the three months 2022 show a trend for the Group in term of external revenues higher than the 2022 budget used for the purposes of the impairment test as at December 31, 2021. On this basis, the directors have not identified specific events and/or additional circumstances compared to December 31, 2021 that could indicate an impairment of trademark and, therefore, the need to update the impairment test carried out for the consolidated financial statements at December 31, 2021. Reference should be made to the 2021 annual report for information on the previous impairment test.
The line "Other assets" mostly refers to business relationship with customers.

Goodwill arising on the PPA procedures is unchanged at March 31, 2022 compared to December 31, 2021.
Goodwill is not amortised but is tested for impairment. Since its recognition on July 31, 2018, 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 2021 annual report for information on the previous impairment test.

The main economic and financial indicators of the Group for the three months 2022 show a trend for the Group in term of adjusted gross operating profit (adjusted EBITDA), net working capital and net financial position higher than the 2022 budget used for the purposes of the impairment test as at December 31, 2021.

The level of net invested capital at March 31, 2022 is consistent and substantially in line with the most recent forecasts at that date and therefore there have been no changes in the value of the net invested capital that could affect the validity of the impairment test carried out with reference to December 31, 2021. With reference to the discount and inflation rate underlying the impairment test carried out with reference to December 31, 2021, there are no events that have substantially impacted them and, therefore, they are still applicable and reasonable at the date of this Report.

On this basis, the directors have not identified specific events and/or additional circumstances compared to December 31, 2021 that could indicate an impairment of goodwill and, therefore, the need to update the impairment test carried out for the consolidated financial statements at December 31, 2021.

(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 March 31, 2022 and December 31, 2021 are shown below:

(€'000)	December 31, 2021	March 31, 2022
Current financial liabilities		
Bonds	722	4,785
Bank loans and borrowings	5,443	3,119
Other financial liabilities	3,643	3,637
	9,808	***11,541***
Non-current financial liabilities		
Bonds	485,123	485,627
Bank loans and borrowings	768	534
Other financial liabilities	46,916	46,849
	532,807	***533,009***
Total	**542,615**	**544,550**

Line "Bonds" refer to 3¼% Senior Secured Notes due 2028 (the "**2028 Notes**") of €500 million in aggregate principal amount of issued under an indenture dated July 7, 2021 among, *inter alios*, 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, Paragraph 3, of the Italian Civil Code (the "**2028 Notes Indenture**").

The 2028 Notes bear interest at a rate of 3.25% per annum, payable semi-annually in arrears on June 15 and December 15 of each year and will mature on June 15, 2028. The 2028 Notes Indenture contain key covenants based on incurrence tests that, among other things, limit the ability of Guala Closures and its restricted subsidiaries to incur or guarantee additional indebtedness and issue certain preferred stock, pay dividends, redeem capital stock and make certain investments, make certain other restricted payments, create or permit to exist certain liens, impose restrictions on the ability of its subsidiaries to pay dividends or make other payments, dispose of its assets, merge or consolidate with other entities, and impair the security interests for the benefit of the holders of the Notes. Each of these covenants is subject to a number of important limitations and exceptions.

Guala Closures has an available amount of €80 million (equivalent) multi-currency revolving credit facility (the "**2028 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 2028 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) + 2.5%. This margin decreased to 2.25% based on the decreasing leverage-based margin ratchet set out in the 2028 RCF. The 2028 RCF will expire January 7, 2028.

The interest rates and maturity dates of the financial liabilities at March 31, 2022 and December 31, 2021 are shown below:

				Nominal Amount				
					Current	Non-current		
(€'000)	Currency	Nominal interest rate	Year of maturity	Total December 31, 2021	Within one year	Between one and five years	More than five years	Total non-current
Bonds								
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	-	500,000	500,000
Interest on bonds	€	n.a.	2022	722	722	-	-	-
Transaction costs	€	n.a.	2028	(14,877)	-	-	(14,877)	(14,877)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**485,845**	**722**	**-**	**485,123**	**485,123**
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€	Euribor 3M+2.5%	2028	-	-	-	-	-
Transaction costs	€	n.a.	2028	(966)	-	-	(966)	(966)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(966)**	**-**	**-**	**(966)**	**(966)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2022	130	130	-	-	-
Millennium S.A. facilities (Poland)	PLN	Wibor 1M (*)	n.a.	3,921	3,921	-	-	-
Banco Chile loan (Chile)	CLP	3.48%	2023	166	153	13	-	13
Santander loan (Brazil)	BRL	n.a.	2022	2	2	(0)	-	(0)
Bancomer loans (Mexico)	USD	n.a.	2023	2,958	1,236	1,722	-	1,722
TOTAL bank loans and borrowings				**6,211**	**5,443**	**1,735**	**(966)**	**768**
Other financial liabilities:								
Market warrants	€	n.a.	n.a.	4	4	-	-	-
Leases (IFRS 16)	€	n.a.	n.a.	16,136	3,639	10,276	2,221	12,497
Non-controlling investors' put options	€	n.a.	n.a.	34,419	-	-	34,419	34,419
Other liabilities	€	n.a.	n.a.	0	0	-	-	-
TOTAL other financial liabilities				**50,559**	**3,643**	**10,276**	**36,640**	**46,916**
TOTAL				**542,615**	**9,808**	**12,011**	**520,796**	**532,807**

(*) Wibor stands for "Warsaw Inter-bank Bid and Offered Rate"

(€'000)	Currency	Nominal interest rate	Year of maturity	Nominal amount				
					Current	Non- current		
				Total March 31, 2022	Within one year	Between one and five years	More than five years	Total non-current
Bonds								
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	-	500,000	500,000
Interest on bonds	€	n.a.	2022	4,785	4,785	-	-	-
Transaction costs	€	n.a.	2028	(14,373)	-	-	(14,373)	(14,373)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**490,412**	**4,785**	**-**	**485,627**	**485,627**
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€	Euribor 3M+2.5%	2028	-	-	-	-	-
Transaction costs	€	n.a.	2028	(927)	-	-	(927)	(927)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(927)**	**-**	**-**	**(927)**	**(927)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2022	137	137	-	-	-
Millennium S.A. facilities (Poland)	PLN	Wibor 1M (*)	n.a.	1,418	1,418	-	-	-
Banco Chile loan (Chile)	CLP	3.48%	2023	141	141	0	-	0
Loans (Brazil)	BRL	n.a.	2022	30	11	19	-	19
Facilities (Argentina)	ARS	n.a.	n.a.	150	150	(0)	-	(0)
Bancomer loans (Mexico)	USD	n.a.	2023	2,702	1,261	1,441	-	1,441
TOTAL bank loans and borrowings				**3,653**	**3,119**	**1,460**	**(927)**	**534**
Other financial liabilities:								
Market warrants	€	n.a.	n.a.	4	4	-	-	-
Leases (IFRS 16)	€	n.a.	n.a.	16,700	3,633	10,882	2,185	13,068
Non-controlling investors' put options	€	n.a.	n.a.	33,781	-	-	33,781	33,781
Other liabilities	€	n.a.	n.a.	1	1	-	-	-
TOTAL other financial liabilities				**50,486**	**3,637**	**10,882**	**35,966**	**46,849**
TOTAL				**544,550**	**11,541**	**12,343**	**520,667**	**533,009**

(*) Wibor stands for "Warsaw Inter-bank Bid and Offered Rate"

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, 2022 is shown in the table below:

Credit facility	Available amount (thousands of Euros)	Amount used at March 31, 2022	Residual available amount at March 31, 2022	Repayment date
Senior Revolving Credit Facility due 2028	80,000	-	80,000	final repayment 07/01/2028
Total	**80,000**	**-**	**80,000**	

(23) Trade payables

These may be analysed as follows:

(€'000)	December 31, 2021	March 31, 2022
Suppliers	99,937	107,691
Payments on account	776	793
Total	**100,714**	**108,484**

(24) Provisions

This caption may be analysed as follows:

CURRENT PROVISIONS:

(€'000)	December 31, 2021	March 31, 2022
Provision for company reorganisations	1,027	830
Provision for returns	1,151	1,314
Other provisions	416	1,360
Total current provisions	**2,594**	**3,504**

The provision for company reorganisations includes:

- €236 thousand for the reorganisation of the company in Luxembourg.
- €272 thousand for the downsizing of Guala Closures UK Ltd's production activities, commenced in 2018, which entails the transfer of plant and machinery from the secondary Broomhill facility to the main facility in Kirkintilloch. The provision has been calculated considering the cost of terminating the existing agreements and the benefits due to employees under the related contracts.
- About €300 thousand for the early retirement of staff in Guala Closures Deutschland and Guala Closures S.p.A..

The provision for returns reflects the calculation for customer claims received based on the negotiations in place at the reporting date.

Other provisions include the extra costs accounted for by Ukraine in relation to extra charges deriving from the interruption of activities towards Russia and Belarus.

Changes in the provisions are as follows:

CURRENT PROVISIONS:

(€'000)	March 31, 2022
Opening balance	2,594
Exchange losses	(8)
Accruals	1,149
Utilisations	(231)
Closing current provisions	**3,504**

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

NON-CURRENT PROVISIONS:

(€'000)	December 31, 2021	March 31, 2022
Provision for legal disputes	77	77
Provision for agents' termination indemnity	146	149
Total	**223**	**225**

Changes in the provisions are as follows:

NON-CURRENT PROVISIONS:

(€'000)	March 31, 2022
Opening balance	223
Exchange losses	(0)
Accruals	2
Utilisations	1
Closing non-current provisions	**225**

(25) Other current liabilities

This caption may be analysed as follows:

(€'000)	December 31, 2021	March 31, 2022
Amounts due to employees	12,930	14,275
Liabilities for investments	3,196	3,227
Social security charges payable	3,459	3,143
Liabilities for dividends	-	3,628
Liabilities for transaction costs on 2028 Bonds	486	188
Other liabilities	12,867	16,515
Total	**32,939**	**40,975**

(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, 2022 remained unchanged compared to December 31, 2021 and amounts to €68,907 thousand consisting of 70,028,654 ordinary shares.

In addition to the shares, there are 19,367,393 market warrants and n. 2,500,000 sponsor warrants.

For market warrants, make reference to section 22) Current and non-current financial liabilities.

The sponsor warrants give its holder the right to subscribe an exchange share if the share's official price is equal to or higher than Euro 13 for at least one day in the exercise period, which is the period between the first trading date after the relevant transaction's effective date and the tenth anniversary of this date (August 2028).
Sponsor warrants will no longer be exercisable by their respective holders, except in case of re-listing of the Issuer's ordinary shares on the Italian Stock Exchange and irrevocably become ineffective after the exercise period.

The group's objectives in capital management are to create value for shareholders, safeguard the group's future and to support its development.
The group seeks to maintain a sufficient level of capitalisation, while giving shareholders satisfactory returns and ensuring the group has access to external sources of financing at acceptable terms, including the maintaining of an adequate rating.
The group monitors the debt/equity ratio on an ongoing basis, particularly in terms of net indebtedness and cash flows generated by operating activities.
The board of directors carefully monitors the balance between greater returns through the right level of indebtedness and the advantages of a sound financial position.

(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, 2021**	**Non-controlling interests (%) at March 31, 2022**	**Balance at December 31, 2021**	**Balance at March 31, 2022**
Guala Closures Technologia Ukraine LLC	30.0%	30.0%	14,798	13,406
Guala Closures India Pvt Ltd.	5.0%	5.0%	3,385	3,425
Guala Closures de Colombia LTDA	6.8%	6.8%	536	540
Guala Closures Bulgaria A.D.	30.0%	30.0%	2,549	2,656
Guala Closures DGS Poland S.A.	30.0%	30.0%	20,433	18,483
Guala Closures BY LLC	30.0%	30.0%	284	109
Total			**41,985**	**38,619**

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, 2021 and March 31, 2022. 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, 2021		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 measured at fair value										
Aluminium derivatives held for trading		-	127			127		127		127
		-	**127**	**-**	**-**	**127**	**-**	**127**	**-**	**127**
Financial assets not measured at fair value (*)										
Trade receivables	20			119,532		119,532				-
Financial assets				559		559				-
Investments in associates	22			2,536		2,536		-		-
Cash and cash equivalents	19			80,032		80,032				-
		-	**-**	**202,659**	**-**	**202,659**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Market warrants	27	(4)				(4)			(4)	(4)
Aluminium derivatives used for trading			(58)			(58)		(58)		(58)
Non-controlling investors' put options	27	(34,419)				(34,419)		-	(34,419)	(34,419)
		(34,423)	**(58)**	**-**	**-**	**(34,481)**		**(58)**	**(34,423)**	**(34,481)**
Financial liabilities not measured at fair value (*)										
Bank overdraft	27				(3,921)	(3,921)		(3,921)		(3,921)
Secured bank loans	27				(2,122)	(2,122)		(3,088)		(3,088)
Unsecured bank loans	27				(168)	(168)		(168)		(168)
Secured bond issues	27				(485,845)	(485,845)		(499,745)		(499,745)
Lease liabilities (IFRS 16)	27				(16,136)	(16,136)				-
Trade payables	28				(100,714)	(100,714)				-
		-	**-**	**-**	**(608,906)**	**(608,906)**	**-**	**(506,923)**	**-**	**(506,923)**

March 31, 2022		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 measured at fair value										
Aluminium derivatives held for trading		-	3,329			3,329		3,329		3,329
		-	**3,329**	**-**	**-**	**3,329**	**-**	**3,329**	**-**	**3,329**
Financial assets not measured at fair value (*)										
Trade receivables	20			134,588		134,588				-
Financial assets				586		586				-
Investments in associates	22			2,517		2,517		-		-
Cash and cash equivalents	19			74,597		74,597				-
		-	**-**	**212,289**	**-**	**212,289**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Market warrants	27	(4)				(4)			(4)	(4)
Non-controlling investors' put options	27	(33,781)				(33,781)		-	(33,781)	(33,781)
		(33,785)	**-**	**-**	**-**	**(33,785)**		**-**	**(33,785)**	**(33,785)**
Financial liabilities not measured at fair value (*)										
Bank overdraft	27				(1,569)	(1,569)		(1,569)		(1,569)
Secured bank loans	27				(1,913)	(1,913)		(1,913)		(1,913)
Unsecured bank loans	27				(171)	(171)		(171)		(171)
Secured bond issues	27				(490,412)	(490,412)		(483,166)		(483,166)
Lease liabilities (IFRS 16)	27				(16,700)	(16,700)				-
Trade payables	28				(108,484)	(108,484)				-
Other financial liabilities	27				(1)	(1)				-
		-	**-**	**-**	**(619,249)**	**(619,249)**	**-**	**(486,818)**	**-**	**(486,818)**

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

(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

Level 1

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

Level 2

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

Financial instruments measured and not measured at fair value

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

Even though secured bond issues are quoted on the OTC market like the Euro-MTF in Luxembourg, no relevant transactions were recorded during the period 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 are not included as their carrying amount is a reasonable approximation of fair value.

Level 3

The market warrants are measured until 2Q21 at fair value through profit or loss and classified under other financial liabilities. Fair value was calculated based on the market price at period end, considering the price of the STAR segment of the stock exchange, ISIN: IT0005311813.

Following completion of the sell-out, Guala's market warrants were delisted from the Italian Stock Exchange (Mercato Telematico Azionario) organised and managed by Borsa Italiana S.p.A. and market warrants will no longer be exercizable by their respective holders, except in case of re-listing of the Issuer's ordinary shares on the Italian Stock Exchange (Mercato Telematico Azionario). The last market price available at the date of the delisting (July 7, 2021) was 0.0002 € per market warrant. Due to the immateriality of the FV, no further analysis was done on these instruments.

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-controlling interests' put options	Discounted cash flows: The fair value is determined considering the expected payment, capitalised at the reporting date, net of the expected dividend yields, discounted to present value using a credit risk-adjusted discount rate. The expected payment is calculated considering the fair value of the subsidiary or its equity based on the relevant contractual agreements with non-controlling investors.	• Expected cash flows in the Projections (€58 million); • inflation data about Ukraine, Bulgaria, Poland and the USA, used to calculate risk-free rates (1.9%-2.5%); • discount rate specific to the country in which the subsidiary operates, adjusted by the group's credit risk (7%-14%); • expected date of put option exercise based on demographic assumptions (age of retirement 67-74) 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, 2021 and at the reporting date are shown below:

(€'000)	
December 31, 2021	34,423
Included in "financial expense" Net fair value loss (unrealised)	(638)
Balance at March 31, 2022	**33,785**

Sensitivity analysis

Reasonably possible changes at March 31, 2022 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%	2,557
	(1%)	(3,111)
Growth rate	1%	(1,613)
	(1%)	2,454
Expected date of put option exercise	+ 1 anno	2,109
	- 1 anno	(2,315)

(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.
For additional information, reference should be made to the 2021 annual report.

(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 to secure Guala Closures' €500 million 3¼% Senior Secured Notes due in 2028 issued on July 7, 2021 (the "2028 Notes") and its new €80.0 million (equivalent) multi-currency revolving credit facility (the "2028 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 2028 RCF.

In accordance with the provisions of the documents governing the 2028 Notes and the 2028 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 2028 RCF (the "Initial Guarantors").

In addition, on December 17, 2021, Guala Closures' obligations and the guarantee obligations of each other Initial Guarantor under the 2028 Notes and the 2028 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..

In accordance with the provisions of the documents governing the 2028 Notes and the 2028 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 2028 RCF. In addition, on March 18, 2022, Guala Closures' obligations and the guarantee obligations of each other Guarantor under the 2028 Notes and the 2028 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.

(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, 2022	Other liabilities at March 31, 2022	**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	272	404	181	13	7	**877**	-	1,705	1,510

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. (Reference should be made to note 31) of 2021 consolidated financial statements.

There are no significant transactions with other related parties in addition to those indicated in this report.

(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 FYs 2011-12, 2012-13, FY 2015-16 to FY 2017-18, for a total taxable amount of about INR 400 million (€4.6 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.

Guala Closures Chile

In the month of October 2021, the Chilean subsidiary had to stop its production activities, in order to undergo the procedure to get a new license. Following to some changes in the facility, the company has undertaken the relevant authorization process.
Having fulfilled the relevant intermediary requirements, the competent authority (Direcciones de Obras Municipales) positively carried of the final inspection.
The company is currently operating on the basis of a temporary authorization, while the definitive one is expected in the month of June.

Guala Closures UK Ltd

The lease agreements concerning the premises where Guala Closures UK Limited operates will expire on June 2022 and has not been renewed yet. The Landlord served to Guala Closures UK Limited a notice to quit, requiring to remove from the premises on or before June 19, 2022.
In spite of such notice, the negotiations with the landlord to renew the lease are ongoing and an agreemenet has been reached.

Beijing Guala Closures

The lease agreement concerning the premises where Beijing Guala Closures Ltd operates will expiring in February 2022.
Before such date the company obtained an agreement with the landlord to extend the lease agreement for at least one more year (i.e. expiring on February 2023).

(32) Events after the reporting period

For the subsequent events related to the Russia – Ukraine conflict please refer to note 5).

GC Deutschland

Following the confirmation by local government on April 27, 2022, GC Deutschland received €1.3 million of grant from the State as compensation of the COVID-19 impact in 2020-2021.

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

May 30, 2022