September 30, 2022

INTERIM FINANCIAL 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

9M 2022 NET REVENUE BY GEOGRAPHICAL AREA

EUROPE	AMERICAS	ASIA	OCEANIA	AFRICA	GROUP
€372.7m	€166.7m	€62.6m	€31.3m	€18.1m	€651.4m
57.2%	*25.6%*	*9.6%*	*4.8%*	*2.8%*	*100.0%*

9M 2022 NET REVENUE BY PRODUCT

SAFETY	LUXURY	ROLL-ON	OTHER REVENUE	GROUP
€240.6m	€56.7m	€330.3m	€23.8m	€651.4m
36.9%	*8.7%*	*50.7%*	*3.6%*	*100.0%*

9M 2022 NET REVENUE BY DESTINATION

SPIRITS	WINE	WATER	NON-ALC. BEVERAGES	OLIVE OIL & CONDIMENTS	OTHER MARKETS	GROUP
€414.6m	€117.0m	€58.7m	€14.0m	€14.2m	€32.9m	€651.4m
63.6%	*18.0%*	*9.0%*	*2.2%*	*2.2%*	*5.0%*	*100.0%*

COMPANY OFFICERS

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS

KPMG S.p.A.

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Guala Closures Group

1.1 Introduction

- € 659.8m 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
- 4,896 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 across its three product lines (safety, luxury, roll-on) and across five destination markets (spirits, wine, water, other non-alcoholic beverages, olive oil & condiments).

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

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

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 pursues 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 goal 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

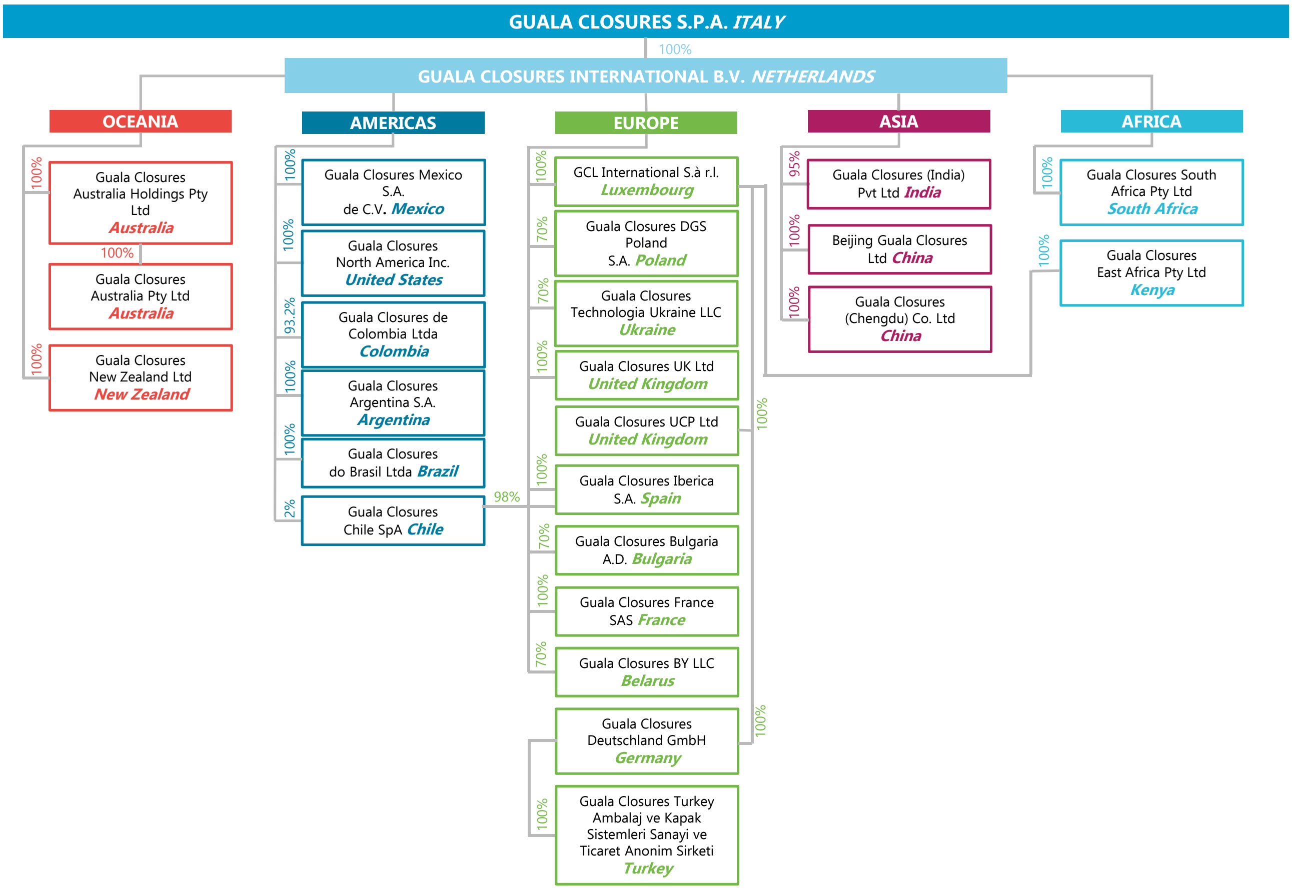
Professionalism: personnel training and growth in the pursuit of continuous and ongoing development;

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 our human resources.

1.2 The Group structure

The Guala Closures Group operates in five continents, with its headquarters in Italy.
The following chart illustrates the group structure at September 30, 2022 (companies consolidated on a line-by-line basis):

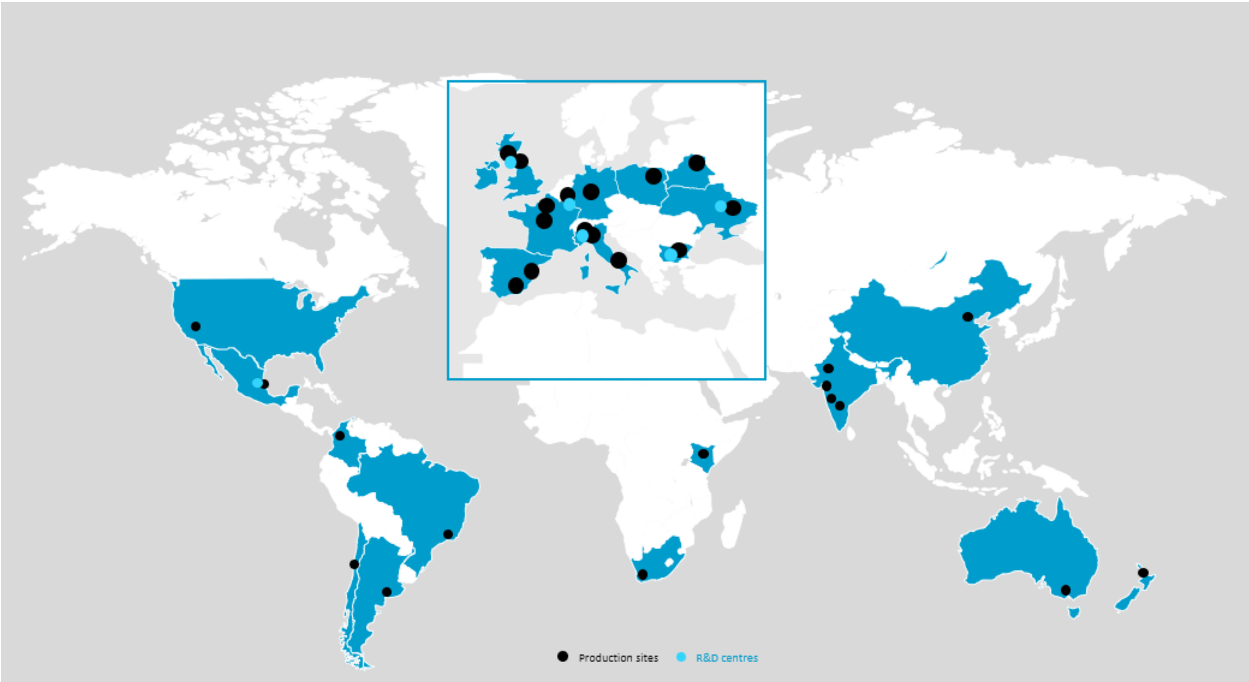


The group structure changed in the first nine months of 2022 as follows:

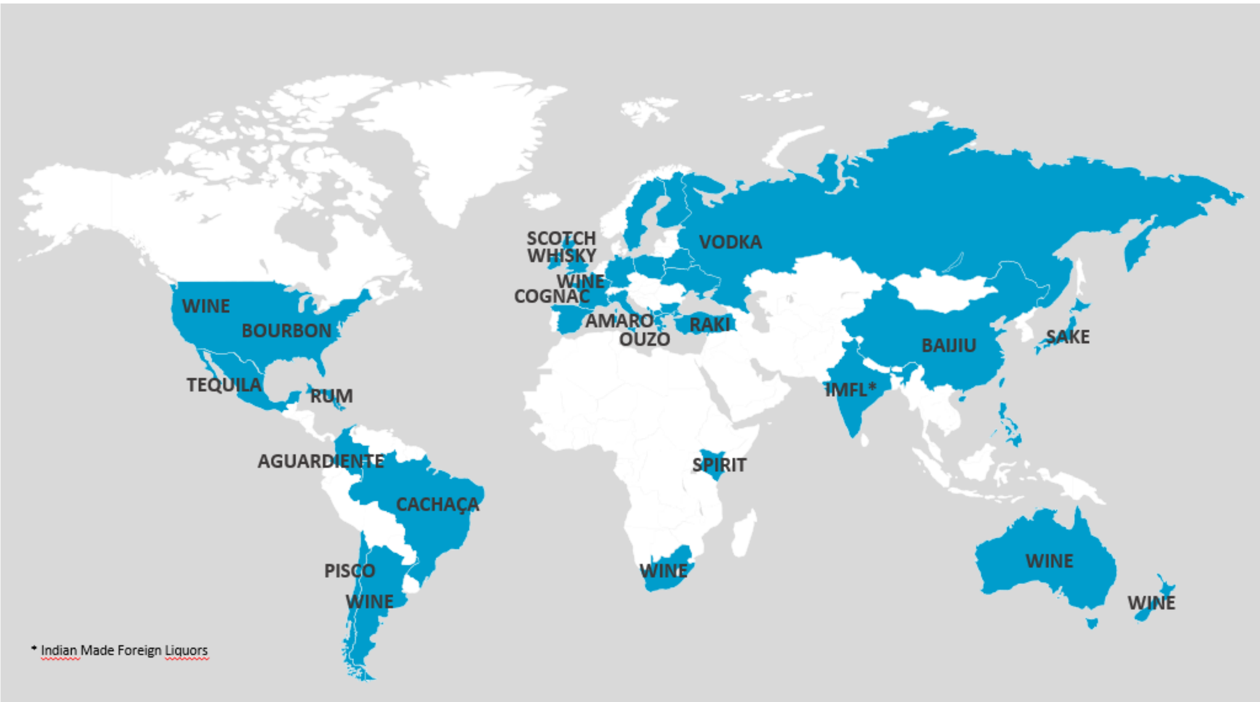
- Guala Closures Japan KK completed its liquidation process and was dissolved at the end of March 2022
- Guala Closures Chengdu Co. Ltd has been established in September 2022

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 proximity 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 customised 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 third quarter of 2022 shows a confirmation and in some extent an acceleration of the previously seen trends in the Group R&D activities.

There has been a strong development of the **luxury market**, with more than 60% of the currently ongoing projects addressed to this market segment; these projects involve all the R&D Centres of the Group, with the Mexican and the Bulgarian Centres bearing most of them. The high flexibility of our R&D teams and Production Plants allows the Group to satisfy all the requests from the markets, with highly customized solutions, that are keys in the luxury segment.

In the Luxury segment we are also observing the move toward **sustainability**; in this field the Group is always testing new solutions, to have them ready to offer to our customers: we are offering a wide range of solutions, spanning from high quality recycled polymers to bio-circular certified ones; our aim has always been to become partner of our customers in advising the best solutions to achieve their sustainability targets, and today we can say that we have achieved this important recognition.

Sustainability is not only on Luxury closures: Guala Closures is going on with the development of closures for each market segment with high recyclability designs or made with materials whose origins are more and more offsetting the petrol; moreover, the market is asking for CO2 neutral solutions, that involve not only new material and design, but also new ways to produce them.

In anticounterfeiting the R&D structure is facing interesting and challenging requests, all directed against the possibility to replicate partially or completely our closures through organized counterfeiting; these results are achieved with the introduction of technological barriers and complex designs. These designs are in different stages of development, some are in first industrial test, others in pilot stage, but for sure they will bring break-through new solution in the market in the next years.

1.6 Sustainability

In 2022, the Group confirmed its commitment to sustainability. During the first 9 months, 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 this period of time.

In February, through an audit conducted by Bureau Veritas, the Group certified all its 2021 emissions (Scope 1,2&3). The absolute value of emissions of Scope 1 and Scope 2 for the year 2021 decreased by 28.5%, compared to 2020.

In the first quarter of 2022, the Group conducted a new materiality **survey** to check the evolution of the sustainability items based on the answers of internal and external stakeholders.

The participation in this survey has been high and the Group received 645 answers from 23 countries in the world. The results of this survey have been the base to build the new materiality matrix that will be released with the 2022 Sustainability Report.

In the second quarter of 2022, the Group released its "**2021 Sustainability Report**", written according to the "Global Reporting Initiative Sustainability Reporting Standards" ("GRI Standards"). The data reported in this report have been verified by KPMG and the document is part of the "2021 Annual report".

Confirming the Group's commitment to offsetting its emissions, 55,000 Carbon Credits have been purchased during the first 9 months of the year.

Also for 2022, Guala Closures signed the agreement with Vikalp to plant 38,000 trees in the Gujarat region.

The second sustainability program will end this year and during 2022 the Group worked to define its environmental, governance and social 2030 targets.

In May, the Group committed and signed up for SBTi (Science Based Targets initiative) and in July submitted the targets; the targets validation process will be performed during the last quarter of the year.

In July, the Group released its "**Sustainable Development annual report 2021**" that is available on the Group's website.

In July, the Group signed a PPA for the supply up to 63% of renewable energy for the next three years to its plant in Ahmedabad India.

In August, the Group finished the installation of a 500 Kw photovoltaic system on the roof of its Mexican plant, with an estimate monthly production of 67,000 kwh.

In August, the Group achieved the ISCC+ certification for the UK plant of Kirkintilloch that adds to the plants of Spinetta and Chambray that already obtained this certification.

In the first 9 months of the year, the wastewater treatment plant installed at the end of last year in Magenta (Italy) has significantly reduced the group amount of hazardous waste (-36 %) and waste going to landfill (-66 %) versus the same period of 2021.

The several projects put in place locally to reduce the consumption of gas allowed the Group to decrease its Scope 1 emissions by 10% in the first nine months of the year versus the same period of 2021.

Financial performance

Key figures

(€m)		9M 2021	9M 2022	% variation
Net revenue		**474.3**	**651.4**	***37.3%***
Adjusted gross operating profit (Adjusted EBITDA)[1]		**82.7**	**121.0**	***46.4%***
Adjusted gross operating profit (Adjusted EBITDA)[1] ***margin***		***17.4%***	***18.6%***	
Net financial indebtedness [2]	**Sep 30, 2021**	**Dec 31, 2021**	**Sep 30, 2022**	
	478.3	462.0	455.8	
Employees				4,896
Facilities		30 production facilities and 2 sales offices in 24 countries on 5 continents		
Intellectual property rights				over 170

Note:

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

Persistent high inflation and disruptions in supply chains together with significant tensions on commodity and energy prices continue to represent risk for the world economy's recovery, with GDP growth expectations moderating worldwide. The high inflation above targets has triggered a generalised tendency to implement corrective measures in terms of interest rate increases, with possible consequences that could impact the global growth.

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

Regarding the spirits industry, with the end of restrictive Covid-19 measures in most markets, the sector continues to benefit from a return to on-premise sales. The group's key economic and financial indicators for the first nine months of 2022 show a positive trend, with revenue up 37.3% compared to the first nine months of 2021 and an adjusted EBITDA margin of 18.6%, improving 1.2% compared to 17.4% in the first nine months of 2021.

Revenue growth was driven by both sales volume/mix and selling price increase. The performance for the first nine months of 2022 was due to double digit growth in all the regions in which the group operates.

The increase in adjusted gross operating profit (adjusted EBITDA) in the first nine months of 2022 compared to the first nine months of 2021 was achieved thanks to the combined contribution of the additional sales volume/mix and the selling price increase, implemented to compensate the cost base increase (raw materials, utilities, transports and other costs) in the current year and in 2021.

Net financial indebtedness at September 30, 2022 was €455.8 million, with a €6.2 million decrease compared to December 31, 2021 (€462.0 million) and a decrease of €22.5 million compared to September 30, 2021 (€478.3 million).

Significant events of the period

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

BUSINESS:

Guala Closures Japan KK

Guala Closures Japan KK, which consisted solely of 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 continues to act as Asia Pacific Development Director, 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 to take place in the first quarter of 2023.

Luxembourg

On July 11, 2022, GCL International S.à r.l. informed its employees that it intends to terminate its activities by the end of 2022 and that all projects of GCL Technologies will be transferred to Guala Closures S.p.A.. Figures as at September 30, 2022 include €1.8 million of accruals for this restructuring project.

Guala Closures France

On July 4, 2022, Guala Closures France informed its employees that intends to close the Saint Remy plant. This project’s estimated cost is approximately €0.4 million, which has been provided for at September 30, 2022.

Purchase of sponsor warrant

In July 2022, Guala Closures S.p.A. purchased for an amount of €1 million from Space Holding S.r.l. the 2,500,000 “Sponsor Warrant Guala Closures S.p.A.” (the “Sponsor Warrant”) as, following the delisting of the Guala Closures ordinary shares from the “Mercato Telematico Azionario”, a regulated market managed and organised by Borsa Italiana S.p.A., the Sponsor Warrants are no longer exercisable.

Subscription of additional facility with Cassa Depositi e Prestiti S.p.A. ("CDP")

On August 8, 2022, the board of directors of Guala Closures S.p.A. approved the subscription of an additional facility to 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.

Guala Closures S.p.A. requested Cassa Depositi e Prestiti S.p.A. ("CDP") as "Additional Facility Lender" to make an additional facility available for an amount of €16 million. The expiry date of the additional facility is in line with the 2028 RCF, bearing an interest rate applicable to drawn amounts equal to EURIBOR, LIBOR or a different parameter identified as the Compounded Reference Rate (2028 RCF + 2.5% p.a.), but based on the decreasing leverage-based margin ratchet set out in the 2028 RCF. The 2028 RCF margin decreased from the original rate of 2.5% to 2.0% based on the decreasing leverage-based margin. Guala Closures paid an upfront fee of €0.4 million.

Announcement of the plan to open a new plant in China

On August 25, 2022, the Group signed an agreement to develop a new plant in Chengdu in the Chinese Province of Sichuan.

Located in a renowned baijiu (Chinese traditional liquor) region, the plant and R&D center will focus on closures for the premium and luxury segments, with plans to produce an estimated 130 million closures per year, positioning the plant as a world-class facility tailored for the Chinese spirits market.

The new plant will cover an area of 13,800 square meters and is expected to employ 110 people and envisages an ambitious investment plan over the next 24 months focused on the production of closures for the luxury segment, enabling the Group to provide concrete support to the local economy which will also benefit from the Group's technological know-how and R&D activities. Such investment confirms the Group's commitment to territorial development in the spirits sector and customer support in China, where the Group has been operating for over 20 years through a plant in Beijing.

In September 2022 Guala Closures Chengdu Co. Ltd has been established obtaining regular business license and the Group is starting to reorganize its operation in China in order to support the new plant.

As a consequence of the operation, a restructuring provision of €1.3 million was made by Beijing Guala Closures.

Belarus

Due to changes in the legislation of the Republic of Belarus regarding rent formation (from September 23, 2022 to January 1, 2024 it is prohibited for lessors to determine in the contract the amount of rent equivalent to a certain amount in foreign currency), the company has concluded an additional agreement with the lessor on rent lease payments for the next two years in order to avoid devaluation risks. The amount that has been paid to the lessor for the two years of the lease is €335 thousand.

GOVERNANCE:

Appointment of new chairwoman of the board of statutory auditors and new substitute auditor

On April 28, 2022, Benedetta Navarra resigned as chairwoman of the board of statutory auditors and on April 29, 2022, Ugo Marco Luca Maria Pollice resigned as substitute auditor.

On May 6, 2022, the shareholder's meeting appointed Mara Vanzetta as the new chairwoman of the board of statutory auditors and Massimiliano Di Maria as substitute auditor.

Russia - Ukraine conflict

The 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 are safe. No damage was suffered in relation to the assets of the company.

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

In the first nine months of 2022, GC Ukraine recognised revenue of approximately €52 million and an EBITDA of approximately €10 million (respectively €45 million and €12 million in the first nine months of 2022), which included accruals linked to potential losses due to the conflict for an amount of €2.4 million and impairment losses of €4.9 million on the customer relationships attributable to the Russian market following the lack of visibility on the ongoing business in the Russian market, with net assets of about €50 million.

About half of the 2021 annual turnover of GC Ukraine was realised with third parties, 50% of which with customers located in Ukraine and Russia. At group level, in 2021, roughly 2.7% of consolidated net revenue was realised with Russian local customers and 1.6% with Ukrainian local customers. The remaining intragroup sales were mainly realised with GC S.p.A., GC North America and GC Belarus, with sales of aluminium shells and components.

Contingency plans have been implemented to mitigate the potential impacts on customers and the group. In particular, as soon as the war started, we immediately began relocating production for international customers to other group plants, also considering the non-recurring 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 recovered in the first nine months of the year. No sales were made to local Russian customers after March 2022 by group companies.

Production in Ukraine resumed at the end of March, but with fewer employees involved. Sumy has returned under the control of Sumy Regional State Administration and many business activities have resumed.

At September 30, 2022, GC Ukraine had €0.2 million of trade receivables due from Russian customers, €3.2 million due from Ukrainian customers and €1.1 million due from GC Belarus provided for a total amount of about €2 million. All receivables from Russian customers and €0.4 million from Ukrainian customers had been collected as of the date of this report.

The Group is continuously monitoring the current conflict, which is not affecting the area of Sumy, where the main plant is located. Due to the current situation, to improve among others the logistics, GC Ukraine has decided to move a minor part of its production lines to a satellite plant located in the city of Ternopil, near the Polish Border, where the company plans to employ around 100 people. The overall production capacity and product portfolio of GC Ukraine will not be affected by such transfer.

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

Until March 2022, GC Belarus revenue is mostly generated with Russia, selling closures produced from aluminium shells and components purchased from Ukraine. In the first nine months of 2022, the company realised revenue of approximately €3 million and an EBITDA close to zero (respectively €8.5 million and €0.5 million in the first nine months of 2021), with net assets of €0.3 million.
At September 30, 2022, GC Belarus had no trade receivables due from Russian customers and, due to the lack of supply and freeze on sales to Russian local customers, the company has been inoperative since March.

Continued isolation of Belarus triggered the risk not to be able to recover the value of the fixed assets of the company implying an impairment covering the full net book value at 30 September 2022 of property, plant and equipment and right of use asset for an amount of about €1 million.

Financial performance

ANALYSIS OF THE FINANCIAL PERFORMANCE

The table below summarises the financial performance of the group for the first nine months of 2021 and 2022:

Statement of profit or loss	9M 2021 (*)		9M 2022	
	(€'000)	*% of net revenue*	*(€'000)*	*% of net revenue*
Net revenue	**474,280**	***100.0%***	**651,408**	***100.0%***
Change in finished goods and semi-finished products	5,743	*1.2%*	18,397	*2.8%*
Other operating income	4,213	*0.9%*	4,239	*0.7%*
Internal work capitalised	3,505	*0.7%*	3,562	*0.5%*
Costs for raw materials	(218,706)	*(46.1%)*	(320,256)	*(49.2%)*
Costs for services	(81,385)	*(17.2%)*	(117,500)	*(18.0%)*
Personnel expense	(102,199)	*(21.5%)*	(110,768)	*(17.0%)*
Other operating expense	(6,016)	*(1.3%)*	(14,328)	*(2.2%)*
Impairment losses	(1,615)	*(0.3%)*	(6,410)	*(1.0%)*
Gross operating profit (EBITDA)	**77,820**	***16.4%***	**108,344**	***16.6%***
Amortisation and depreciation	(47,054)	*(9.9%)*	(39,403)	*(6.0%)*
Operating profit (EBIT)	**30,766**	***6.5%***	**68,941**	***10.6%***
Financial income	11,850	*2.5%*	18,951	*2.9%*
Financial expense	(35,811)	*(7.6%)*	(30,344)	*(4.7%)*
Net financial expense	**(23,960)**	***(5.1%)***	**(11,392)**	***(1.7%)***
Profit before taxation	**6,806**	***1.4%***	**57,549**	***8.8%***
Income taxes	(6,910)	*(1.5%)*	(14,222)	*(2.2%)*
Profit for the period	**(105)**	***(0.0%)***	**43,327**	***6.7%***
Attributable to:				
- the owners of the parent	(6,355)	*(1.3%)*	33,632	*5.2%*
- non-controlling interests	6,251	*1.3%*	9,695	*1.5%*

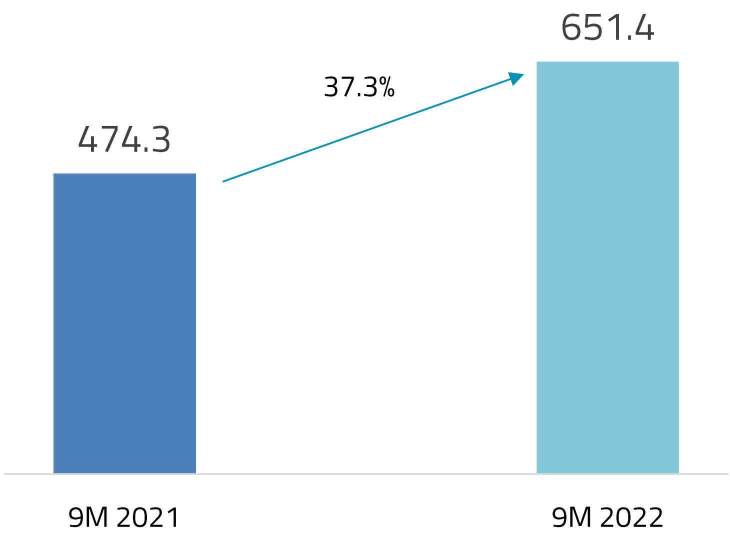
Adjusted gross operating profit (Adjusted EBITDA)	**82,669**	***17.4%***	**121,039**	***18.6%***

Note:

- *The first nine months of 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 37.*

NET REVENUE

The following chart illustrates the first nine months of 2022 trend in revenue compared to the first nine months of 2021.

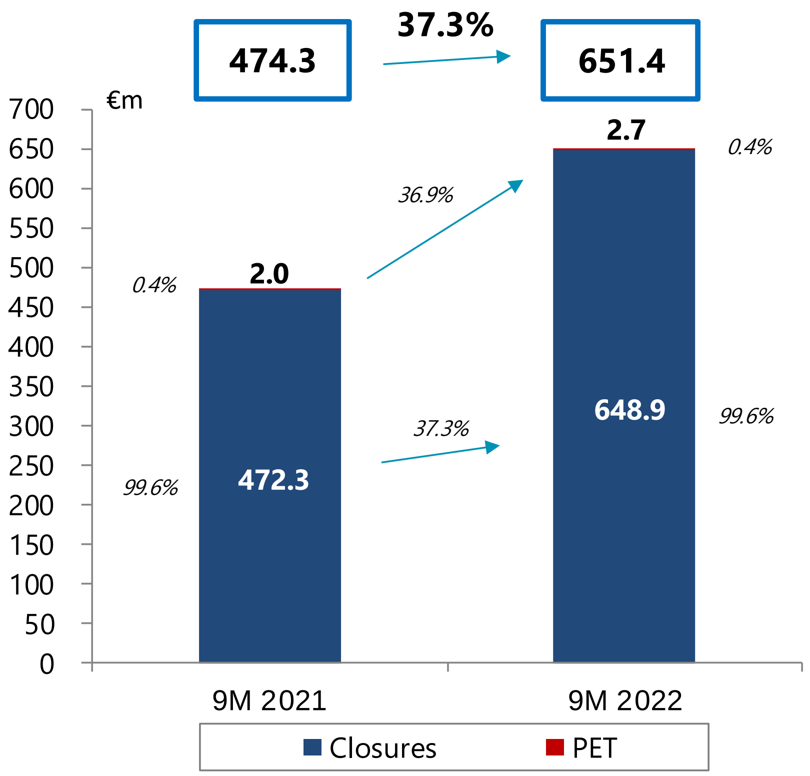


In the first nine months of 2022, consolidated net revenue was €651.4 million, up €177.1 million (+37.3%) on the first nine months of 2021 thanks to both volume/mix and selling price components.

Net revenue increased in all the regions in which the group operates with double-digit growth.

NET REVENUE BY DIVISION

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



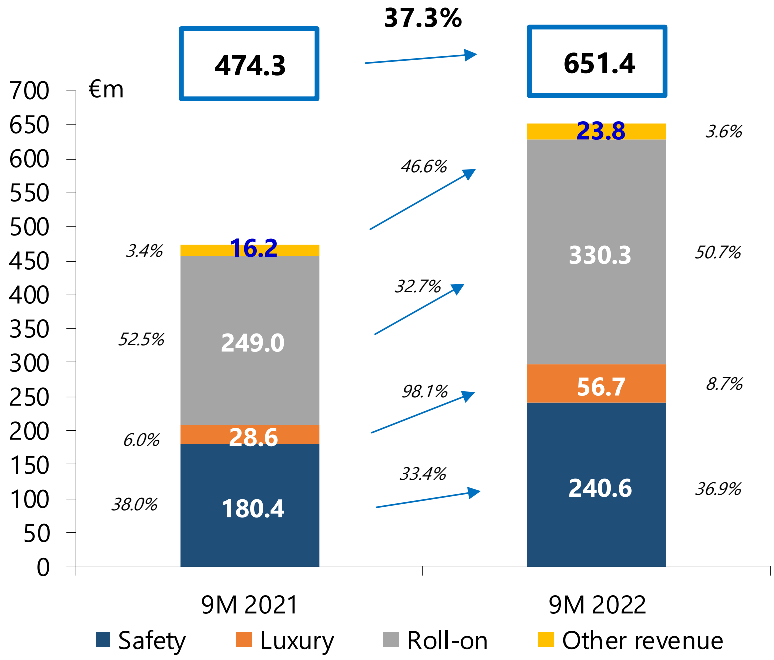
As the group's core business, the "Closures" division accounts for over 99% of net revenue. It is specialised in the production of safety, customised luxury and roll-on closures.

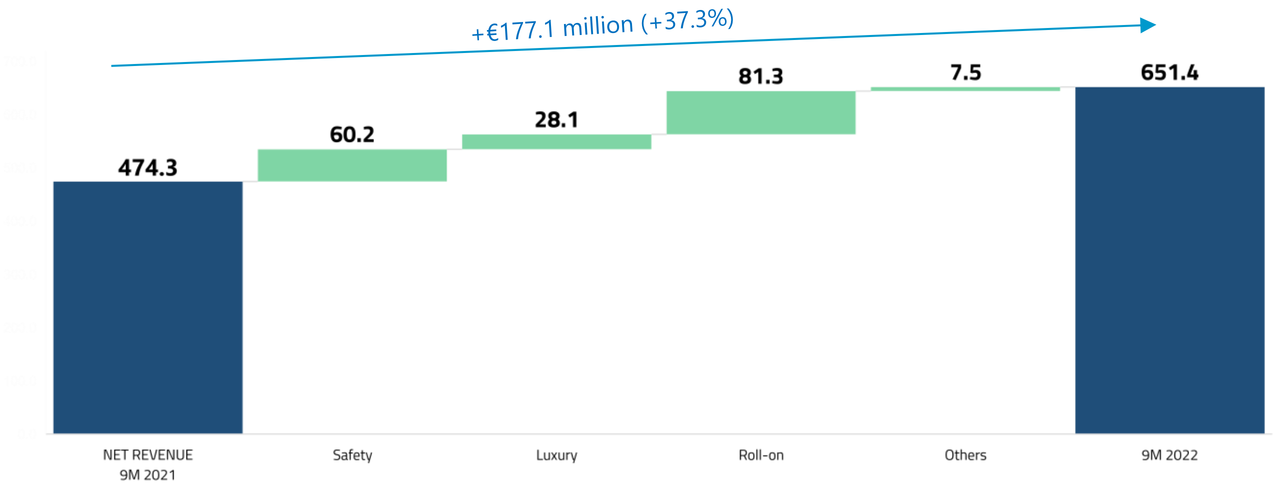
The net revenue of the Closures division increased by €177.1 million (+37.3%) in the first nine months of 2022 from €472.3 million in the first nine months of 2021 to €648.7 million in the first nine months of 2022.

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 variations versus the first nine months of 2021:





Net revenue increased in all the product lines.

Revenue from **safety** closures increased by €60.2 million (33.4% growth) from €180.4 million in the first nine months of 2021 (38.0% of net revenue) to €240.6 million in the first nine months of 2022 (36.9%). The growth is mainly driven by the increase in Mexico, UK, Italy and India.

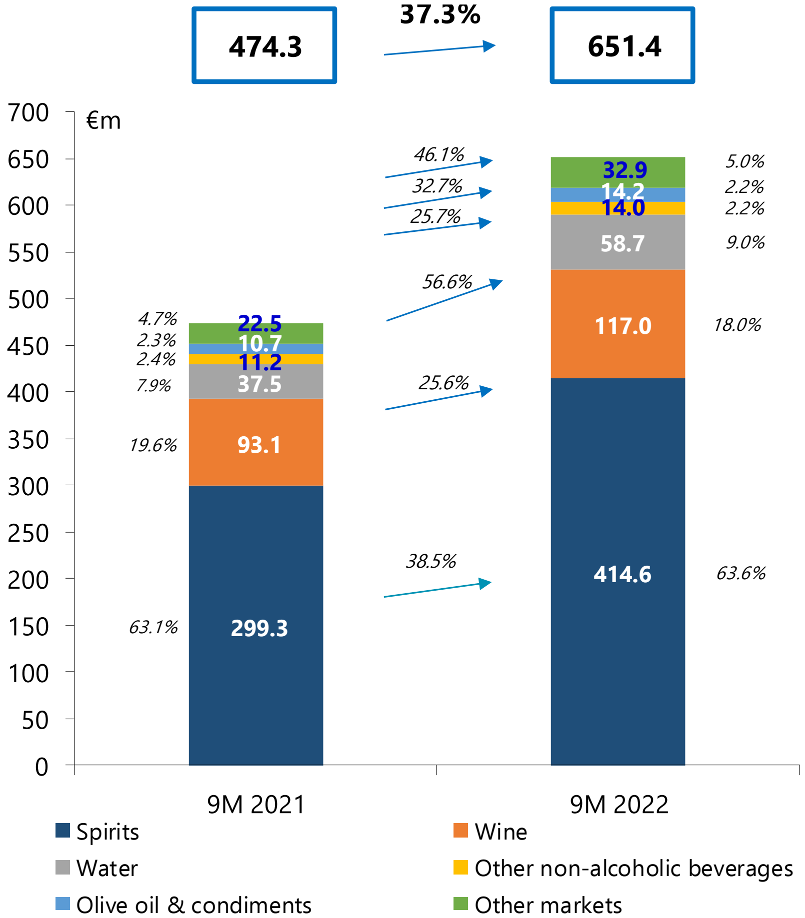
Revenue from **luxury** closures increased by €28.1 million (98.1% growth) from €28.6 million in the first nine months of 2021 (6.0% of net revenue) to €56.7 million in the first nine months of 2022 (8.7%), due to the increase in both volumes and average price, mainly related to the development of the luxury business in the Americas and Europe.

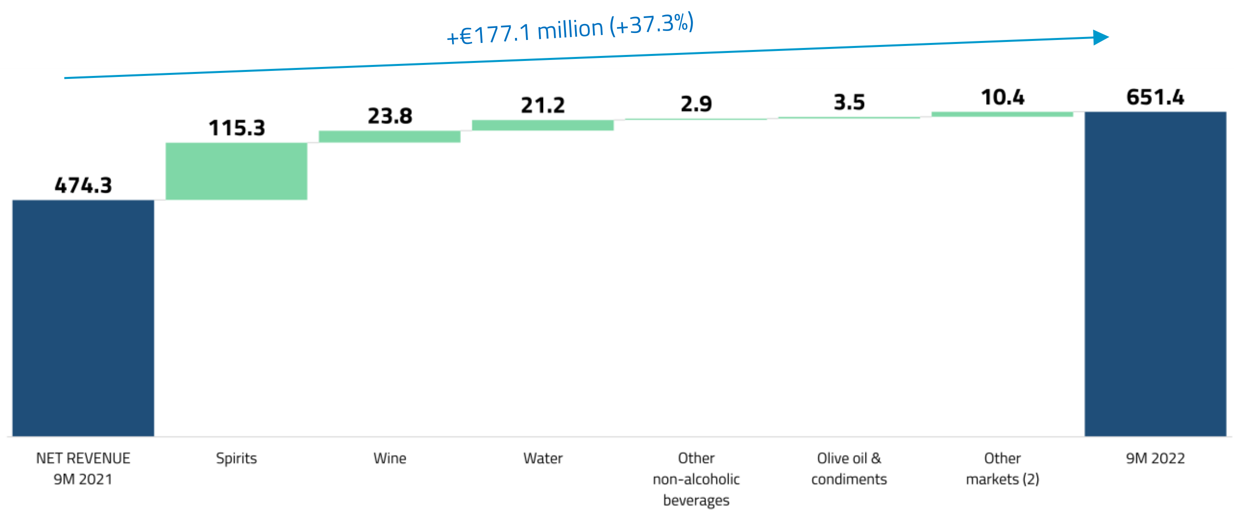
Revenue from **roll-on** closures increased by €81.3 million (32.7% growth) from €249.0 million in the first nine months of 2021 (52.5% of net revenue) to €330.3 million in the first nine months of 2022 (50.7%). This increase was due to both the volume and price increase in the spirits, wine and water markets.

Other revenue increased by €7.5 million (46.6% growth) from €16.2 million in the first nine months of 2021 (3.4% of net revenue) to €23.8 million in the first nine months of 2022 (3.6%). 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 increase in net revenue in the first nine months of 2022 was mainly due to the spirit market which is the group's main destination market, representing 64% of the total sales in the first nine month of 2022.

Net revenue in the **spirits market** increased by €115.3 million (38.5% growth) from €299.3 million in the first nine months of 2021 (63.1% of net revenue) to €414.6 million in the first nine months of 2022 (63.6%). The increase was realised thanks to the increase in almost all the regions in which the Group operates.

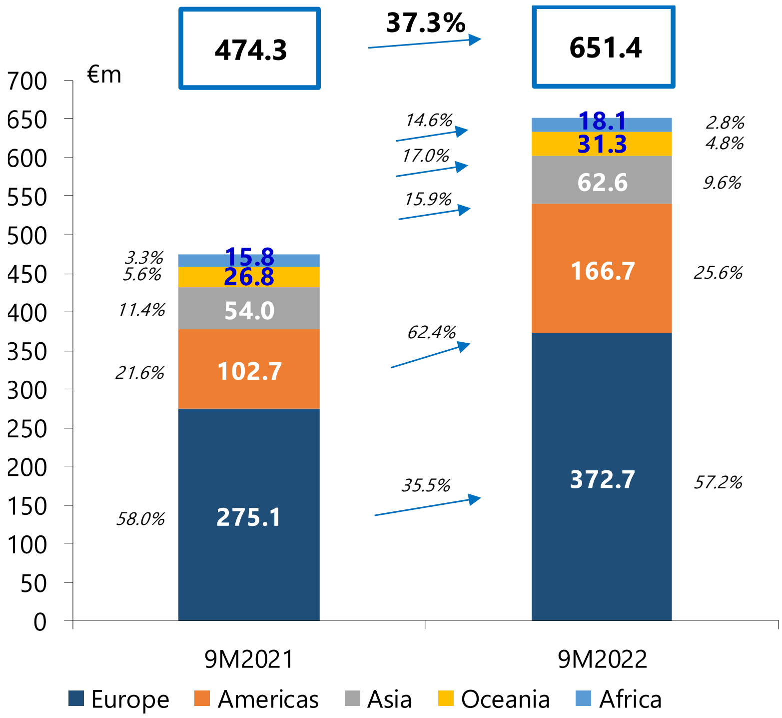
The **wine market** is the group's second largest destination market and generated 18.0% of net revenue in the first nine months of 2022. Revenue from the sale of wine closures rose €23.8 million (25.6% growth) from €93.1 million in the first nine months of 2021 (19.6% of net revenue) to €117.0 million in the first nine months of 2022 (18.0%). The growth was mainly achieved in Europe and in the Americas.

The **water market** recovered from the contraction of commercial activities caused by the Covid-19 pandemic and shows an increase of €21.2 million (56.6% growth) from €37.5 million in the first nine months of 2021 (7.9% of net revenue) to €58.7 million in the first nine months of 2022 (9.0%).

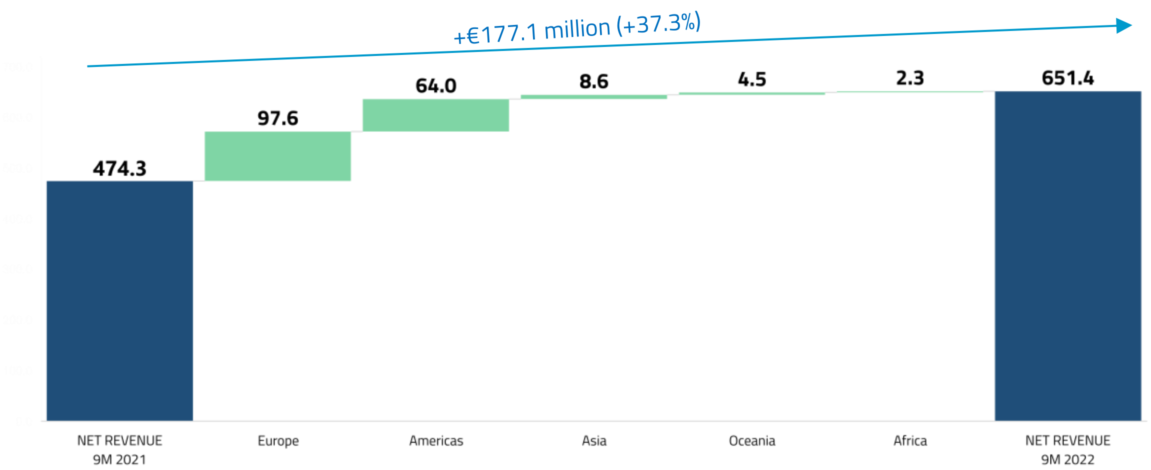
Other non-alcoholic beverages market also increased compared to the first nine months of 2021 due to the growth of some customers in specialty beverages.

NET REVENUE BY GEOGRAPHICAL SEGMENT

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



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



The sales growth in the first nine months of 2022 was driven by double-digit growth in all regions in which the group operates.

Net revenue from operations in **Europe** increased by €97.6 million (35.5% growth) from €275.1 million in the first nine months of 2021 (58.0% of net revenue) to €372.7 million in the first nine months of 2022 (57.2%). Such increase is mainly due to the good performance of the UK, Italy, Poland, Spain and Germany due to the recovery of the water business in the horeca channel together with the increase in spirits and wine.

Net revenue from operations in the **Americas** increased by €64.0 million (62.4% growth) from €102.7 million in the first nine months of 2021 to €166.7 million in the first nine months of 2022 (21.6% and 25.6% of net revenue, respectively) mainly due to the increase in spirits (both safety and luxury) and wine segments.

Net revenue from operations in **Asia** increased by €8.6 million (15.9% growth) from €54.0 million in the first nine months of 2021 (11.4% of net revenue) to €62.6 million in the first nine months of 2022 (9.6%). This increase is mainly attributable to Indian spirit market.

Net revenue from operations in **Oceania** increased by €4.5 million (17.0% growth) from €26.8 million in the first nine months of 2021, or 5.6% of net revenue, to €31.3 million in the first nine months of 2022, or 4.8%, mainly due to the increase in the wine segment.

Net revenue from operations in **Africa** increased by €2.3 million (14.6% growth) from €15.8 million in the first nine months of 2021 (3.3% of net revenue) to €18.1 million in the first nine months of 2022 (2.8%) driven by the increase in South Africa and eastern 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 remained stable in the first nine months of 2022 to €4.2 million compared to the first nine months of 2021. It includes government grants for €1.2 million both in the first nine months of 2021 and in the first nine months of 2022 (mainly referred for 2022 to Covid compensation received by GC Deutschland).

INTERNAL WORK CAPITALISED

This caption increased by €0.1 million from €3.5 million in the first nine months of 2021 (0.7% of net revenue) to €3.6 million in the first nine months of 2022 (0.5%). 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 €101.5 million from €218.7 million in the first nine months of 2021 (46.1% of net revenue) to €320.3 million in the first nine months of 2022 (49.2%), due to the increase in the cost of plastic and aluminium partially mitigated by the increase in selling price. The cost of aluminium in first nine months of 2022 also includes a negative impact of €6 million due to the aluminium derivatives.

COSTS FOR SERVICES

Costs for services increased by €36.1 million from €81.4 million in the first nine months of 2021 (17.2% of net revenue) to €117.5 million in the first nine months of 2022 (18.0%). Compared to 2021, the increase is mainly due to higher utilities costs, both energy and gas, and higher transport costs.

PERSONNEL EXPENSE

Personnel expense increased by €8.6 million from €102.2 million in the first nine months of 2021 to €110.8 million in the first nine months of 2022, due to increased activities in 2022, while it decreased as a percentage of net revenue from 21.5% in the first nine months of 2021 to 17.0% in the first nine months of 2022.

OTHER OPERATING EXPENSE

The table below analyses other operating expense in the two periods:

	9M		
(€'000)	**2021**	**2022**	**diff.**
Accruals to provisions	1,399	4,657	3,258
Taxes and duties	1,471	2,110	639
Use of third-party assets	1,404	1,537	133
Impairment losses on trade receivables and contract assets	131	3,609	3,478
Other charges	1,611	2,415	804
Total	**6,016**	**14,328**	**8,312**

Other operating expense increased by €8.3 million from €6.0 million in the first nine months of 2021 (1.3% of net revenue) to €14.3 million in the first nine months of 2022 (2.2%), mainly due to higher accruals to provisions mainly for corporate restructuring and to impairment losses on trade receivables mainly deriving from expected credit losses and receivables in Ukraine deriving from the interruption of activities with Russia.

IMPAIRMENT LOSSES

Impairment losses increased by €4.8 million from €1.6 million in the first nine months of 2021 to €6.4 million in the first nine months of 2022. Impairment losses mainly related to the customer relationship of Guala Closures Technologia Ukraine LLC which has been impaired by around €5 million due to the loss of the business in Russia and €1 million for the full net book value of property, plant and equipment and righ-of-use assets of Guala Closures Belarus as a consequence of the risk not to be able to recover the value of the fixed assets of the company due to the significant uncertainties of the local situation.

ADJUSTED GROSS OPERATING PROFIT

In the first nine months of 2022, the adjusted gross operating profit (adjusted EBITDA) is €121.0 million, up €38.4 million (+46.4%) on the first nine months of 2021 (€82.7 million), thanks to the positive effect of the sales volume/mix, selling price increase and production efficiency, partially offset by the negative effect of the increase in raw materials, utilities, transport and other costs.

The adjusted gross operating profit margin increased from 17.4% in the first nine months of 2021 to 18.6% in the first nine months of 2022.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation decreased by €7.7 million from €47.1 million in the first nine months of 2021 (9.9% of net revenue) to €39.4 million in the first nine months of 2022 (6.0%).
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 nine months of 2021 and 2022:

	9M		
(€'000)	**2021**	**2022**	**diff.**
Net interest expense	(14,803)	(14,392)	411
Net exchange gains/(losses)	(3,705)	1,716	5,421
Net fair value losses on market warrants	5,961	-	(5,961)
Net fair value gains on financial liabilities to non-controlling investors	(3,321)	819	4,140
Other net financial income/(expense)	(372)	465	837
Net interest expense for refinancing	(7,720)	-	7,720
Net financial expense	**(23,960)**	**(11,392)**	**12,568**

Net financial expense decreased by €12.6 million from €24.0 million in the first nine months of 2021 to €11.4 million in the first nine months of 2022.
Such decrease is mainly due to the €4.1 million positive effect of the change in fair value of financial liabilities to non-controlling investors (a loss of €3.3 million in the first nine months of 2021 versus a gain of €0.8 million in the first nine months of 2022), the €7.7 million decrease in the interest expense for refinancing due to transaction costs booked in 2021, the €5.4 million positive impact of exchange rates (a loss of €3.7 million in the first nine months of 2021 versus a gain of €1.7 million in the first nine months of 2022), the €0.8 million decrease in other net financial income/(expense) and the €0.4 million decrease in net interest expense, partially offset by the €6.0 million effect of the change in fair value of market warrants (a gain of €6.0 million in the first nine months of 2021 versus zero in the first nine months of 2022, as these instruments were delisted from the Italian Stock Exchange on July 2021).

INCOME TAXES

The following table compares the income taxes in the first nine months of 2021 and 2022:

	9M		
(€'000)	**2021**	**2022**	**diff.**
Current taxes	(12,533)	(23,743)	(11,210)
Deferred taxes	5,623	9,521	3,898
Total income taxes	**(6,910)**	**(14,222)**	**(7,312)**

Income taxes increased by €7.3 million from €6.9 million in the first nine months of 2021 (1.5% of net revenue) to €14.2 million in the first nine months of 2022 (2.2%), mainly due to higher current taxes due to higher profit before taxation.

PROFIT FOR THE PERIOD

The profit for the first nine months of 2022 amounts to €43.3 million, up €43.4 million on the €0.1 million loss for the first nine months of 2021.
The increase in 2022 is mainly due to the increase in the gross operating profit (EBITDA) (€30.5 million), the reduction in amortisation and depreciation (€7.7 million) and the decrease in net financial expense (€12.6 million), which have been partly offset by higher taxes (-€7.3 million).

Reclassified statement of financial position

The following table shows the reclassified financial position of the Guala Closures Group as at September 30, 2022 with comparative figures as at December 31, 2021:

(€'000)	December, 31 2021	September 30, 2022
Intangible assets	823,518	813,560
Property, plant and equipment	219,292	221,201
Right-of-use assets	15,525	19,428
Net working capital	139,083	188,637
Investment in associates	2,536	2,208
Net derivative assets/(liabilities)	68	(5,122)
Employee benefits	(8,913)	(8,862)
Other net liabilities	(96,206)	(100,088)
Net invested capital	**1,094,904**	**1,130,963**
Financed by:		
Net financial liabilities	491,497	492,030
Financial liabilities - Lease	16,136	19,915
Financial liabilities - non-controlling investors	34,419	33,600
Market warrants	4	-
Cash and cash equivalents	(80,032)	(89,768)
Net financial indebtedness	**462,024**	**455,777**
Equity	632,880	675,187
Sources of financing	**1,094,904**	**1,130,963**

INTANGIBLE ASSETS

This caption decreased by €10.0 million from December 31, 2021, due to the impairment losses of €4.9 million recognised on the customer relationships of Guala Closures Ukraine LLC due to potential losses of the business in Russia and to the amortisation for the period of €9.4 million, partially offset by the positive translation effect of €3.1 million and the net increases of the period of €1.4 million.

PROPERTY, PLANT AND EQUIPMENT

The €1.9 million increase in property, plant and equipment compared to December 31, 2021 mainly refers to the net investments (€25.5 million) and the positive translation effect (€4.5 million), partially offset by the depreciation of the period (€25.4 million) and the impairment losses (€1.2 million).
Net capital expenditure in the first nine months of 2022, totalling €25.5 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, Mexico and Bulgaria, also as back-up plan due to the shift to other group companies of Ukraine production lines following the conflict for total investment of €1.5 million.

RIGHT-OF-USE ASSETS

At September 30, 2022, right-of-use assets amount to €19.4 million and mainly relate to the leases of the facilities where the group operates. This caption increased by €3.9 million mainly due to the renewal of property leases in the UK and was impaired by €0.3 million for the full right of GC Belarus right-of-use asset.

NET WORKING CAPITAL

The table below provides the breakdown of net working capital:

(€'000)	September 30, 2021	December 31, 2021	September 30, 2022
Inventories	122,177	120,265	159,829
Trade receivables	122,262	119,532	150,282
Trade payables	(90,742)	(100,714)	(121,473)
Net working capital (*)	**153,697**	**139,083**	**188,637**

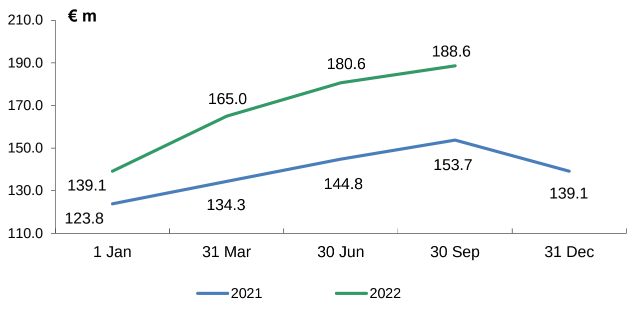
(*) These figures do not match those used to calculate the change in working capital in the statement of cash flows for the applicable period as those amounts have been adjusted to reflect changes in exchange rates on the opening balances. The above net working capital includes certain reclassifications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

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

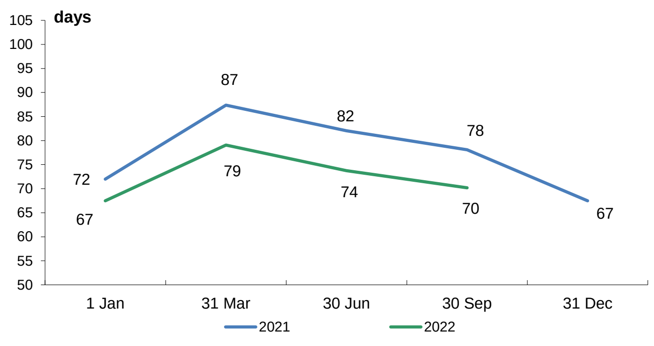
Days	September 30, 2021	December 31, 2021	September 30, 2022
Inventories	62	58	59
Trade receivables	62	58	56
Trade payables	(46)	(49)	(45)
Net working capital days	**78**	**67**	**70**

The charts below refer to the historical trend in net working capital by quarter:

VALUE



DAYS



Net working capital at September 30, 2022 amounts to €188.6 million, up €49.6 million on December 31, 2021, mainly due to the business seasonality and to the strong increase in turnover.

Compared to December 31, 2021, net working capital days increased by three days at the end of September 2022 mainly due to the business seasonality, but decreased by eight days compared to the end of September 2021.

The impact of without-recourse factoring at September 30, 2022 amounts to €39.1 million, compared to €37.2 million at December 31, 2021 and €31.8 million at September 30, 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 decreased from 76 days at the end of 2021 to 70 days at the end of September 2022 and compared to 78 days at the end of September 2021.

OTHER NET LIABILITIES

Other net liabilities amount to €100.1 million at September 30, 2022, compared to €96.2 million at December 31, 2021. This caption mainly includes the net deferred tax liabilities (€59.1 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 (€20.3 million), provisions (€6.4 million), liabilities for dividends (€1.5 million), liabilities for investments (€4.6 million) and other net liabilities (€8.2 million).

(€'000)	December 31, 2021	September 30, 2022
Deferred tax assets	29,029	33,360
Deferred tax liabilities	(95,979)	(92,424)
Net DTA/(DTL)	**(66,950)**	**(59,063)**
Payables to employees and social security	(16,390)	(20,260)
Provisions	(2,817)	(6,439)
Liabilities for dividends	-	(1,547)
Liabilities for investments	(3,196)	(4,565)
Other net liabilities	(6,853)	(8,214)
Total net other liabilities	**(96,206)**	**(100,088)**

EQUITY

The table below shows a breakdown of equity:

(€'000)	December 31, 2021	September 30, 2022
Equity attributable to the owners of the parent	590,894	630,940
Equity attributable to non-controlling interests	41,985	44,247
Equity	**632,880**	**675,187**

The increase in equity is mainly due to the profit for the period (€43.3 million) and to the change in the translation reserve which increased by €4.3 million in the first nine months of 2022, partially offset by the distribution of dividends to non-controlling investors (€4.6 million) and the reduction of €1 million as a consequence of the purchase of sponsor warrant. 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	September 30, 2022
Net financial liabilities - third parties	491,497	492,030
Financial liabilities - IFRS 16 effects	16,136	19,915
Financial liabilities - non-controlling investors	34,419	33,600
Market warrants	4	-
Cash and cash equivalents	(80,032)	(89,768)
Net financial indebtedness	**462,024**	**455,777**

Note:

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

Net financial indebtedness at September 30, 2022 was €455.8 million, with a decrease of €6.2 million compared to December 31, 2021 (€462.0 million), mainly as a result of the cash flows generated by operating activities (€58.2 million), partially offset by the cash flows used in investing activities (€25.3 million) and in financing activities (€26.7 million). This change is €20.3 million better than the absorption recorded in the first nine months of 2021 (-€14.1 million) coming from the higher cash flows generated by operating activities (€25.7 million) partially offset by higher cash flows used in financing activities (€2.1 million) and in investing activities (€3.3 million).

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

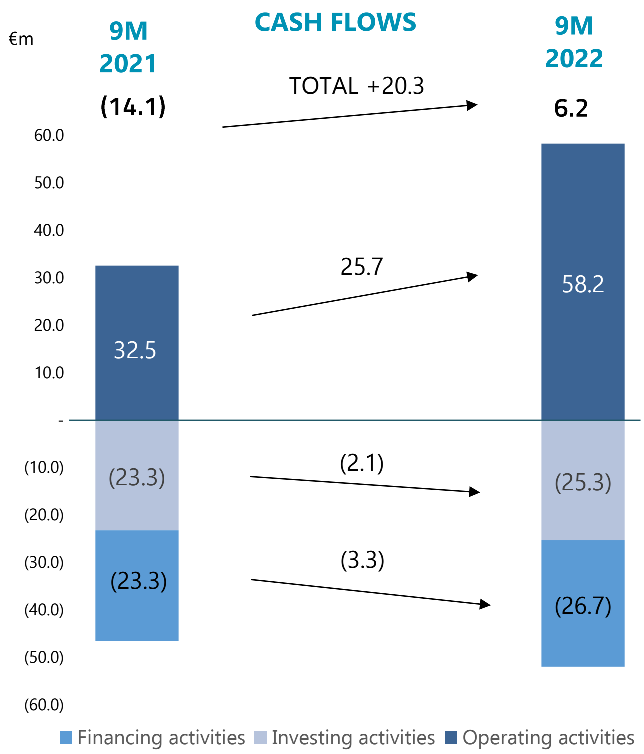
RECLASSIFIED STATEMENT OF CHANGES IN NET FINANCIAL INDEBTEDNESS

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

	9M 2021	9M 2022
A) Opening net financial indebtedness	**(464,210)**	**(462,024)**
Gross operating profit	77,820	108,344
Net gains on sale of non-current assets	(576)	(239)
Change in net working capital	(27,215)	(46,984)
Other operating items	(3,167)	14,489
Derivatives	-	1,140
Taxes	(14,365)	(18,523)
B) Net cash flows from operating activities	**32,497**	**58,227**
Capex	(23,653)	(25,329)
Acquisition of non-controlling interest in SharpEnd (UK)	(1,608)	-
Sales of GCL Pharma S.r.l. (net of cash transferred)	2,000	-
C) Cash flows used in investing activities	**(23,261)**	**(25,329)**
Increases in right-of-use assets	(2,971)	(6,511)
Transaction costs not yet paid/(paid) on Bond issued in 2021	857	(486)
Net interest expense	(15,176)	(13,928)
Non-recurring financial expense due to transaction costs on 2024 Notes and 2024 RCF	(7,720)	-
Dividends paid	(3,176)	(2,744)
Change in financial liabilities for put options	(3,321)	819
Fair value gains on market warrants	5,961	-
Sponsor warrants buyback	-	(1,000)
Other financial items	606	1,776
Effect of exchange fluctuation	1,608	(4,576)
D) Change in net financial indebtedness due to financing activities	**(23,331)**	**(26,651)**
E) Total change in net financial indebtedness (B+C+D)	**(14,095)**	**6,247**
F) Closing net financial indebtedness (A+E)	**(478,306)**	**(455,777)**

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

The following chart gives a breakdown of the change in net financial indebtedness, detailing the various items in the first nine months of 2022 with respect to the end of 2021, compared to the first nine months of 2021 with respect to the end of 2020:



Net cash flows from operating activities

Net cash flows from operating activities came to €58.2 million, up €25.7 million on the first nine months of 2021 (€32.5 million). The higher operating cash flows were mainly due to higher gross operating profit (EBITDA) (€30.5 million) and other operating items (€17.7 million), partially offset by the higher absorption by the change in net working capital (€19.8 million) and to the higher cash outflows for taxes (€4.2 million).

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

Other operating items in the first nine months of 2022 mainly includes €5 million attributable to the impairment loss recognised on the business relationships with customers to reflect the potential loss of the business with Russia (€1.6 million in the first nine months of 2021), €1.4 million as deferred insurance refund in Magenta, €4.8 million for provision increases. In the first nine months of 2021 other operating items was negatively impacted by the payment to previous management of the group for €3 million.

Cash flows used in investing activities

Cash flows used in investing activities were €25.3 million, €2 million higher on the first nine months of 2021 (€23.3 million).
The higher absorption is mainly due to higher capital expenditure (€1.7 million) and no M&A impact versus €0.4 million positive in the first nine months of 2021.
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 and received €2.0 million as deferred payment for the sale of GCL Pharma which took place in 2020.

Change in net financial indebtedness due to financing activities

The change in net financial indebtedness due to financing activities in the first nine months of 2022 amounts to €26.7 million, higher for €3.3 million compared to the first nine months of 2021 (€23.3 million).

Such increase refers to the following main negative effects:
- no impact of the change in fair value on the market warrants in the first nine months of 2022 (€6.0 million positive in first nine months of 2021);
- higher investments in right-of-use assets (-€3.5 million);
- negative effect of exchange rate fluctuation (-€6.2 million);
- partial payment of the residual transaction costs on the Bond issued in 2021 (change of -€1.3 million)
- sponsor warrant buyback (-€1.0 million);

partially offset by the following positive factors:
- decrease in fair value losses on non-controlling investors' put options (+€4.1 million);
- no exceptional financial expense in the first nine months of 2022 (in the first nine months of 2021 the group accounted for €7.7 million as pro-rata unamortised transaction costs reversal as a consequence of the group's refinancing);
- lower net interest expense (+€1.3 million);
- lower dividends paid (+€0.4 million).

Current trading and outlook

There are no signs of slowdown looking at the markets confirming the actual growing trend of turnover increase. However, a persistent high inflation and disruptions in supply chains together with significant tensions on commodity and energy prices continue to represent risk for the world economy's recovery, with GDP growth expectations moderating worldwide. The high inflation above targets has triggered a generalised tendency to implement corrective measures in terms of interest rate increases, with possible consequences that could impact the global consumptions.

We expect to have to continue to face with increases in energy costs representing a major concern. Manufacturing cost efficiencies activities are continuing together with ongoing initiatives implemented by local governments whose effects should mitigate the impact of the cost increase in the last quarter of 2022.

The Group continues to focus on value creation initiatives in particular on the footprint optimization including the start of the building of the new plant in Scotland.

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 period to exclude the impact of taxation, net financial expense and amortisation/depreciation.

Adjusted gross operating profit (adjusted EBITDA) is calculated by adjusting the profit (loss) for the period to exclude the effect of taxation, net financial expense, amortisation/depreciation and the effects of other costs, such as expense related to the 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 period to exclude the impact of taxation and net financial expense.

Adjusted operating profit (adjusted EBIT) is calculated by adjusting the profit (loss) for the period to exclude the effect of taxation, net financial expense and the effects of other costs, such as expense related to the 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

	9M	
(€'000)	**2021**	**2022**
Profit/(loss) for the period	(105)	43,327
Income taxes	6,910	14,222
Profit before tax	**6,806**	**57,549**
Net financial expense	23,960	11,392
Amortisation and depreciation	47,054	39,403
Gross operating profit	**77,820**	**108,344**
Adjustments:		
Public tender offer expenses	870	-
Reorganisation costs	2,368	4,537
Merger and acquisition expenses	-	1,649
Change in equity-accounted investments	170	209
Losses due to war	-	1,230
Non-recurring grants	-	(1,274)
Impairment losses	1,441	6,345
Adjusted gross operating profit	**82,669**	**121,039**

Adjusted operating profit

	9M	
(€'000)	**2021**	**2022**
Profit/(loss) for the period	(105)	43,327
Income taxes	6,910	14,222
Profit before tax	**6,806**	**57,549**
Net financial expense	23,960	11,392
Operating profit	**30,766**	**68,941**
Adjustments:		
Public tender offer expenses	870	-
Reorganisation costs	2,368	4,537
Merger and acquisition expenses	-	1,649
Change in equity-accounted investments	170	209
Losses due to war	-	1,230
Non-recurring grants	-	(1,274)
Impairment losses	1,441	6,345
Adjusted operating profit	**35,615**	**81,637**

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

Net financial indebtedness consists of financial liabilities minus cash and cash equivalents and financial assets as reconciled in Annex B) to this report "Reconciliation between the tables included in the directors' report and the condensed interim consolidated financial statements".

This indicator is shown in order to provide a better understanding of the group's financial position and should not be considered as a substitute for IFRS indicators.

Annexes to the directors' report

Annex A)

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

Annex B)

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

Annex C)

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

Annex A)

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

(€'000)

Classification in reclassified financial income and expense	9M 2021	9M 2022	Classification in the notes to the condensed interim consolidated financial statements (notes 14-15)
Net exchange losses	4,181	14,448	Exchange gains
Net exchange losses	(7,886)	(12,731)	Exchange losses
Net fair value gains on market warrants	5,961	-	Fair value gains on market warrants
Net fair value gains on financial liabilities to non-controlling investors	-	819	Financial income on financial liabilities to non-controlling investors
Net fair value losses on financial liabilities to non-controlling investors	(3,321)	-	Financial expense on financial liabilities to non-controlling investors
Net interest expense	77	285	Interest income
Net other financial expense	1,631	3,400	Other financial income
Net interest expense	(14,880)	(14,677)	Interest expense
Other net financial expense	(2,003)	(2,935)	Other financial expense
Non-recurring financial expense for refinancing	(7,720)	-	Non-recurring financial expense for refinancing
Total net financial expense	**(23,960)**	**(11,392)**	

Annex B)

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

(€'000)

Classification in the reclassified statement of financial position	December 31, 2021	September 30, 2022	Classification in the condensed interim consolidated financial statements
Net working capital	119,532	150,282	Trade receivables
Net working capital	120,265	159,829	Inventories
Net working capital	(100,714)	(121,473)	Trade payables
Total net working capital	**139,083**	**188,637**	
Net derivative assets	127	-	Derivative assets
Net derivative liabilities	(58)	(5,122)	Derivative liabilities
Net derivative assets/(liabilities)	**68**	**(5,122)**	
Other net liabilities	5,831	6,174	Current direct tax assets
Other net liabilities	10,151	12,641	Current indirect tax assets
Other net liabilities	7,541	14,471	Other current assets
Other net liabilities	153	60	Contract costs
Other net liabilities	29,029	33,360	Deferred tax assets
Other net liabilities	394	577	Other non-current assets
Other net liabilities	(6,563)	(11,512)	Current direct tax liabilities
Other net liabilities	(9,990)	(12,470)	Current indirect tax liabilities
Other net liabilities	(2,594)	(6,212)	Current provisions
Other net liabilities	(985)	(1,569)	Contract liabilities
Other net liabilities	(32,939)	(42,942)	Other current liabilities
Other net liabilities	(95,979)	(92,424)	Deferred tax liabilities
Other net liabilities	(223)	(227)	Non-current provisions
Other net liabilities	(32)	(17)	Other non-current liabilities
Total net other liabilities	**(96,206)**	**(100,088)**	
Net financial liabilities - third parties	(165)	(595)	Current financial assets
Net financial liabilities - third parties	(394)	(381)	Non-current financial assets
Net financial liabilities - third parties	6,165	6,486	Current financial liabilities
Market warrants	4	-	Current financial liabilities
Financial liabilities - Lease	3,639	3,845	Current financial liabilities
Net financial liabilities - third parties	488,112	488,878	Non-current financial liabilities
Non controlling investors' put option	34,419	33,600	Non-current financial liabilities
Financial liabilities - Lease	10,276	13,713	Non-current financial liabilities
Cash and cash equivalents	(80,032)	(89,768)	Cash and cash equivalents
Total net financial indebtedness	**462,024**	**455,777**	

Annex C)

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

(€'000)

	September 30, 2021	September 30, 2022
Total change in net financial indebtedness	**(14,095)**	**6,248**
Increase in right-of-use assets	2,971	6,511
Proceeds from new borrowings and bonds	501,874	2,262
Repayment of borrowings and bonds	(479,287)	(5,686)
Repayment of finance leases	(4,196)	(3,940)
Translation effect on foreign currency assets and liabilities	667	341
Net fair value gains on non-controlling investors' put options	3,321	(819)
Change in liabilities for financial expense	3,210	6,155
Payment of transaction costs on bond issued in 2021	(16,143)	(918)
Change in financial assets	(28)	(418)
Total change in financial assets and liabilities	**12,390**	**3,489**
Total change in cash and cash equivalents	**(1,705)**	**9,736**

Condensed interim consolidated financial statements at September 30, 2022

Statement of profit or loss

For the nine months ended September 30 (€'000)	2021 (*)	2022	Note
Net revenue	**474,280**	**651,408**	6
Change in finished goods and semi-finished products	5,743	18,397	
Other operating income	4,213	4,239	7
Internal work capitalised	3,505	3,562	8
Costs for raw materials	(218,706)	(320,256)	9
Costs for services	(81,385)	(117,500)	10
Personnel expense	(102,199)	(110,768)	11
Other operating expense	(5,715)	(10,511)	12
Impairment losses on trade receivables and contract assets	(131)	(3,609)	
Impairment losses	(1,615)	(6,410)	19-21
Amortisation and depreciation	(47,054)	(39,403)	19-20-21
Financial income	11,850	18,951	13
Financial expense	(35,811)	(30,344)	14
Share of loss of equity-accounted investees, net of the tax effect	(170)	(209)	
Profit before taxation	**6,806**	**57,549**	
Income taxes	(6,910)	(14,222)	15
Profit/(loss) for the period	**(105)**	**43,327**	
Attributable to:			
- the owners of the parent	(6,355)	33,632	
- non-controlling interests	6,251	9,695	

Statement of profit or loss and other comprehensive income

For the nine months ended September 30 (€'000)	2021	2022
Profit/(loss) for the period	**(105)**	**43,327**
Other comprehensive income (expense):		
Actuarial gains on defined benefit plans	444	509
Taxes on items that will not be reclassified to profit or loss	(123)	(150)
Items that will not be reclassified to profit or loss:	***321***	***359***
Foreign currency translation differences for foreign operations	11,887	4,224
Hedging reserve	58	-
Hedging reserve for cash flow hedges reclassified to profit or loss	(695)	(68)
Tax on items that will or may be reclassified subsequently to profit or loss	188	20
Items that will or may be reclassified subsequently to profit or loss:	**11,439**	**4,175**
Other comprehensive income for the period, net of tax	**11,759**	**4,534**
Comprehensive income for the period	**11,655**	**47,861**
Attributable to:		
- the owners of the parent	3,632	41,046
- non-controlling interests	8,023	6,816

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

The notes on pages 50 to 86 are an integral part of these condensed interim consolidated financial statements.

Statement of profit or loss

For the three months ended September 30 (€'000)	2021 (*)	2022	Note
Net revenue	**177,104**	**243,162**	6
Change in finished goods and semi-finished products	(2,864)	1,331	
Other operating income	641	410	7
Internal work capitalised	1,233	1,549	8
Costs for raw materials	(80,878)	(118,299)	9
Costs for services	(29,044)	(41,641)	10
Personnel expense	(33,938)	(37,264)	11
Other operating expense	(1,305)	(5,258)	12
Impairment losses on trade receivables and contract assets	(88)	(3,250)	
Impairment losses	(1,441)	(801)	19-21
Amortisation and depreciation	(15,361)	(12,663)	19-20-21
Financial income	1,387	7,407	13
Financial expense	(13,295)	(12,431)	14
Share of loss of equity-accounted investees, net of the tax effect	(52)	(88)	
Profit before taxation	**2,097**	**22,161**	
Income taxes	(3,845)	(6,762)	15
Profit/(loss) for the period	**(1,748)**	**15,400**	
Attributable to:			
- the owners of the parent	(4,018)	10,386	
- non-controlling interests	2,271	5,013	

Statement of profit or loss and other comprehensive income

For the three months ended September 30 (€'000)	2021	2022
Profit/(loss) for the period	**(1,748)**	**15,400**
<u>**Other comprehensive income (expense):**</u>		
Actuarial gains on defined benefit plans	79	-
Taxes on items that will not be reclassified to profit or loss	(12)	-
Items that will not be reclassified to profit or loss:	***67***	***-***
Foreign currency translation differences for foreign operations	1,788	(4,784)
Hedging reserve	-	-
Tax on items that will or may be reclassified subsequently to profit or	-	-
Items that will or may be reclassified subsequently to profit or loss:	**1,788**	**(4,784)**
Other comprehensive income for the period, net of tax	**1,855**	**(4,784)**
Comprehensive income for the period	**107**	**10,615**
Attributable to:		
- the owners of the parent	(2,525)	8,616
- non-controlling interests	2,632	1,999

(*) The comparative figures for the three months of 2021 were restated to be consistent with 2022 classification.

The notes on pages 50 to 86 are an integral part of these condensed interim consolidated financial statements.

Statement of financial position – ASSETS

(€'000)	December 31, 2021	September 30, 2022	Note
ASSETS			
Current assets			
Cash and cash equivalents	80,032	89,768	16
Current financial assets	165	595	
Trade receivables	119,532	150,282	17
Inventories	120,265	159,829	18
Current direct tax assets	5,831	6,174	
Current indirect tax assets	10,151	12,641	
Derivative assets	127	-	
Other current assets	7,541	14,471	
Total current assets	**343,644**	**433,760**	
Non-current assets			
Non-current financial assets	394	381	
Investments in associates	2,536	2,208	
Property, plant and equipment	219,292	221,201	19
Right-of-use assets	15,525	19,428	20
Intangible assets	823,518	813,560	21
Contract costs	153	60	
Deferred tax assets	29,029	33,360	
Other non-current assets	394	577	
Total non-current assets	**1,090,841**	**1,090,776**	
TOTAL ASSETS	**1,434,485**	**1,524,536**	

The notes on pages 50 to 86 are an integral part of these condensed interim consolidated financial statements.

Statement of financial position - LIABILITIES

(€'000)	December 31, 2021	September 30, 2022	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	9,808	10,330	22
Trade payables	100,714	121,473	23
Contract liabilities	985	1,569	
Current direct tax liabilities	6,563	11,512	
Current indirect tax liabilities	9,990	12,470	
Current provisions	2,594	6,212	24
Derivative liabilities	58	5,122	
Other current liabilities	32,939	42,942	25
Total current liabilities	**163,651**	**211,629**	
Non-current liabilities			
Non-current financial liabilities	532,807	536,191	22
Employee benefits	8,913	8,862	
Deferred tax liabilities	95,979	92,424	
Non-current provisions	223	227	24
Other non-current liabilities	32	17	
Total non-current liabilities	**637,954**	**637,720**	
Total liabilities	**801,605**	**849,349**	
Share capital and reserves attributable to non-controlling interests	33,209	34,551	
Profit for the period attributable to non-controlling interests	8,776	9,695	
Equity attributable to non-controlling interests	**41,985**	**44,247**	**27**
Share capital	68,907	68,907	
Share premium reserve	423,837	423,837	
Legal reserve	1,824	2,310	
Translation reserve	(11,764)	(5,599)	
Hedging reserve	48	-	
Retained earnings and other reserves	108,826	107,854	
Profit / (loss) for the period	(782)	33,632	
Equity attributable to the owners of the parent	**590,894**	**630,940**	**26**
Total equity	**632,880**	**675,187**	
TOTAL LIABILITIES AND EQUITY	**1,434,485**	**1,524,536**	

The notes on pages 50 to 86 are an integral part of these condensed interim consolidated financial statements.

Statement of cash flows for the nine months ended September 30, 2022

(€'000)	9M 2021	9M 2022	Note
Opening cash and cash equivalents	**63,882**	**80,032**	
A) Cash flows from operating activities			
Profit before taxation	6,806	57,739	
Adjustments:			
Amortisation and depreciation	47,054	39,403	19-20-21
Financial income	(11,850)	(18,951)	
Financial expense	35,811	30,344	
Impairment losses on fixed assets	1,615	6,410	19-20-21
Share of loss of equity-accounted investees, net of the tax effect	170	209	
Net gains on sale of non-current assets	(576)	(239)	
Variation:			
Receivables	(27,070)	(32,175)	17
Payables	20,840	21,592	23
Inventories	(20,461)	(39,219)	18
Impairment losses on receivables	(524)	2,817	17
Other operating items	(4,952)	7,871	
Derivatives		1,140	
VAT and indirect tax assets/liabilities	(1,868)	(12)	
Income taxes paid	(12,496)	(18,511)	
Net cash flows from operating activities	**32,497**	**58,418**	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(24,240)	(26,133)	19-20-21
Proceeds from sale of property, plant and equipment and intangible assets	587	804	19-20-21
Acquisition of non-controlling interest in SharpEnd (UK)	(1,608)	-	
Sale of GCL Pharma S.r.l. (net of cash transferred)	2,000	-	
Net cash flows used in investing activities	**(23,261)**	**(25,329)**	
C) Cash flows from financing activities			
Interest received	1,708	558	
Interest paid	(14,520)	(11,872)	
Transaction costs paid for bonds issued in 2021	(16,143)	(918)	
Other financial items	551	96	
Dividends paid	(3,176)	(2,744)	
Sponsor warrants buyback	-	(1,000)	
Proceeds from new borrowings and bonds	501,874	2,262	22
Repayment of borrowings and bonds	(479,287)	(5,686)	22
Repayment of leases	(4,196)	(3,940)	
Change in financial assets	(28)	(417)	
Net cash flows used in financing activities	**(13,216)**	**(23,661)**	
Net cash flows of the period	**(3,980)**	**9,427**	
Effect of exchange fluctuations on cash held	2,275	499	
Closing cash and cash equivalents	**62,177**	**89,958**	**16**

The notes on pages 50 to 86 are an integral part of these condensed interim consolidated financial statements.

Statement of changes in equity for the nine months ended September 30, 2022

(€'000)	**January 1, 2021**	**Allocation of 2020 result**	Profit (loss) for the period	Other comprehensive income	**Comprehensive income for the period**	Dividends	**Total transactions with owners**	**September 30, 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	557			**-**		**-**	**1,823**
Translation reserve	(25,679)			10,115	**10,115**		**-**	**(15,564)**
Hedging reserve	449			(449)	**(449)**		**-**	**0**
Retained earnings and other reserves	123,583	(15,103)		321	**321**		**-**	**108,801**
Profit (loss) for the period	(14,546)	14,546	(6,355)		**(6,355)**		**-**	**(6,355)**
Equity	**577,817**	**-**	**(6,355)**	**9,987**	**3,632**	**-**	**-**	**581,448**
Non-controlling interests:								
Share capital and reserves	29,515	8,627	-	1,772	**1,772**	(6,616)	**(6,616)**	**33,298**
Profit for the period	8,627	(8,627)	6,251		**6,251**		**-**	**6,251**
Equity	**38,143**	**-**	**6,251**	**1,772**	**8,023**	**(6,616)**	**(6,616)**	**39,549**
Total equity	**615,959**	**-**	**(105)**	**11,759**	**11,655**	**(6,616)**	**(6,616)**	**620,997**

(€'000)	**January 1, 2022**	**Allocation of 2021 result**	Profit for the period	Other comprehensive income	**Comprehensive income for the period**	Dividends	Purchase of sponsor warrant	**Total transactions with owners**	**September 30, 2022**
	A)	**B)**			**C)**			**D)**	**A)+B)+C)+D)**
Attributable to the owners of the parent:									
Share capital	68,907				**-**			**-**	**68,907**
Share premium reserve	423,837				**-**			**-**	**423,837**
Legal reserve	1,824	487			**-**			**-**	**2,310**
Translation reserve	(11,764)			7,103	**7,103**			**-**	**(4,661)**
Hedging reserve	48			(48)	**(48)**			**-**	**0**
Retained earnings and other reserves	108,826	(1,269)		359	**359**		(1,000)	**(1,000)**	**106,916**
Profit for the period	(782)	782	33,632		**33,632**			**-**	**33,632**
Equity	**590,894**	-	**33,632**	**7,414**	**41,046**	**-**	**(1,000)**	**(1,000)**	**630,940**
Non-controlling interests:									
Share capital and reserves	33,209	8,776		(2,880)	**(2,880)**	(4,555)		**(4,555)**	**34,551**
Profit for the period	8,776	(8,776)	9,695		**9,695**	-		**-**	**9,695**
Equity	**41,985**	**-**	**9,695**	**(2,880)**	**6,816**	**(4,555)**	**-**	**(4,555)**	**44,247**
Total equity	**632,880**	**-**	**43,327**	**4,534**	**47,861**	**(4,555)**	**(1,000)**	**(5,555)**	**675,187**

The notes on pages 50 to 86 are an integral part of these condensed interim consolidated financial statements.

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

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 September 30, 2022 have been prepared in accordance with IAS 34 - Interim Financial Reporting endorsed by the European Union.
Except for that set out in section 3 "Changes to standards", the accounting policies applied to prepare the condensed interim consolidated financial statements by all the group companies are the same as those applied to prepare the consolidated financial statements of the Guala Closures Group at December 31, 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.
9M mean the first nine months of the year from January 1 to September 30.

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.

In relation to external manufacturing costs, a reclassification between cost for raw materials and cost for services have been made for the 9M 2021 figures in order to be consistent with the 9m 2022 figures.

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. During the first nine months of 2022 significant judgements were used to review the expected credit losses based on the group business model to manage financial instruments namely with reference to the markets directly impacted by the Russia-Ukraine conflict.

Sales of certain group products are more affected than others by seasonal factors because of different final customer consumption patterns or consumer habits. Seasonal consumption cycles in the markets in which the Guala Closures Group operates may impact its financial results and operations. In general, the Group's diversified product portfolio and its sales geographical spread substantially help to reduce risks relating to seasonal factors. Moreover, in order not to be excessively exposed to seasonal peaks, the Group is carrying out initiatives to de-seasonalise the consumption patterns of the main closures.

Hyperinflation in Turkey

As from April, Turkey is included in the list of hyperinflationary economies and therefore, according to IAS 29, the local financial statements were translated into Euros using the closing rate of the period both for the statement of financial position and statement of profit and loss and other comprehensive income. At September 30, 2022, the group's operations in Turkey have an immaterial impact on consolidated figures.

List of investments in subsidiaries and associates at September 30, 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
Guala Closures (Chengdu) Co. Ltd.	Japan	CNY	-	100%	Indirect (*)	Line-by-line
LATIN AMERICA and NORTH AMERICA						
Guala Closures Mexico, S.A. de C.V.	Mexico	MXN	94,630,010	100%	Indirect (*)	Line-by-line
Guala Closures Argentina S.A. (**)	Argentina	ARS	498,960,489	100%	Indirect (*)	Line-by-line
Guala Closures do Brasil LTDA	Brazil	BRL	10,736,290	100%	Indirect (*)	Line-by-line
Guala Closures de Colombia LTDA	Colombia	COP	8,691,219,554	93.2%	Indirect (*)	Line-by-line
Guala Closures Chile SpA	Chile	CLP	6,504,935,369	100%	Indirect (*)	Line-by-line
Guala Closures North America, Inc.	United States	USD	60,000	100%	Indirect (*)	Line-by-line
OCEANIA						
Guala Closures New Zealand Ltd.	New Zealand	NZD	5,700,000	100%	Indirect (*)	Line-by-line
Guala Closures Australia Holdings Pty Ltd.	Australia	AUD	34,450,501	100%	Indirect (*)	Line-by-line
Guala Closures Australia Pty Ltd.	Australia	AUD	810	100%	Indirect (*)	Line-by-line
AFRICA						
Guala Closures South Africa Pty Ltd.	South Africa	ZAR	60,000,000	100%	Indirect (*)	Line-by-line
Guala Closures East Africa Pty Ltd.	Kenya	KES	30,300,000	100%	Indirect (*)	Line-by-line

(*) Reference should be made to the chart illustrating the group structure for further details on the indirect investments.
The 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	**9M 2021**	**9M 2022**	**December 31, 2021**	**September 30, 2022**
Pound sterling	0,86405	0,84692	0,8403	0,8830
US dollar	1,19671	1,06500	1,1326	0,9748
Indian rupee	88,07731	82,33104	84,2292	79,4250
Mexican peso	24,08063	21,57849	23,1438	19,6393
Colombian peso	4,423.89556	4,326,68333	4,598,6800	4,415,5500
Brazilian real	6,38092	5,46768	6,3101	5,2584
Chinese renmimbi	7,74069	7,02104	7,1947	6,9368
Argentine peso	114,21440	143,37640	116,3622	143,3764
Polish zloty	4,54641	4,67001	4,5969	4,8483
New Zealand dollar	1,68158	1,64709	1,6579	1,7177
Australian dollar	1,57669	1,50521	1,5615	1,5076
Ukrainian hryvnia	32,88672	32,86028	30,9219	35,6361
Bulgarian lev	1,95580	1,95580	1,9558	1,9558
South African rand	17,4316	16,9510	18,0625	17,5353
Japanese yen	129,7955	135,9321	130,3800	141,0100
Chilean peso	882,0778	912,8389	964,3500	939,7300
Kenyan shilling	130,2953	123,9894	128,1495	117,6891
Turkish lira	9,6980	18,0841	15,2335	18,0841

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, except for Argentina and Turkey, where the spot rates are used both for the statement of financial position captions and for the statement of profit or loss and the statement of profit or loss and other comprehensive income in order to normalize the hyperinflation.

(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;
    - 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 IFRS:
    - 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 IFRS.
    - 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 condensed interim 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 nine months of 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**	
	9M 2021	**9M 2022**	**9M 2021**	**9M 2022**	**9M 2021**	**9M 2022**
Net revenue	472,274	648,404	2,006	3,004	474,280	651,408
Amortisation and depreciation	(46,870)	(39,277)	(184)	(126)	(47,054)	(39,403)
Financial income	11,850	18,951	-	-	11,850	18,951
Financial expense	(35,811)	(30,344)	-	-	(35,811)	(30,344)
Share of loss of equity-accounted investees, net of the tax effect	(170)	(209)	-	-	(170)	(209)
Profit (loss) before taxation	6,850	57,621	(44)	(72)	6,806	57,549
Net capex (*)	23,492	25,329	160	-	23,653	25,329

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

(€'000)	Closures		Other operations		Total	
	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022
Net revenue	176,407	242,217	698	945	177,104	243,162
Amortisation and depreciation	(15,299)	(12,597)	(62)	(66)	(15,361)	(12,663)
Financial income	1,387	7,407	-	-	1,387	7,407
Financial expense	(13,295)	(12,431)	-	-	(13,295)	(12,431)
Share of loss of equity-accounted investees, net of the tax effect	(52)	88	-	-	(52)	88
Profit (loss) before taxation	2,132	22,213	(35)	(51)	2,097	22,161

(€'000)	Closures		Other operations		Total	
	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022
Trade receivables	119,336	150,046	196	235	119,532	150,282
Inventories	119,543	158,852	721	977	120,265	159,829
Trade payables	(100,680)	(120,559)	(33)	(914)	(100,714)	(121,473)
Property, plant and equipment and Right of use assets	233,641	239,567	1,176	1,062	234,817	240,629

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, Mexico, Poland, India, Spain, Germany, North America, Ukraine, Argentina, Australia, France 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)	3Q 2021	3Q 2022	9M 2021	9M 2022
United Kingdom	32,363	42,728	83,086	113,416
Italy	18,833	27,068	54,245	76,771
Mexico	16,247	30,849	39,697	73,888
Poland	13,486	18,576	43,277	61,371
India	18,090	21,126	49,069	57,486
Spain	9,604	13,257	24,873	37,395
North America	8,736	13,611	25,469	36,421
Deutschland	9,457	12,917	24,687	36,323
Ukraine	9,203	11,526	22,068	23,708
Argentina	5,515	9,266	14,551	21,377
Australia	6,376	7,602	17,212	19,589
France	3,073	4,224	10,627	14,230
South Africa	4,344	4,236	12,185	12,772
Other countries	21,777	26,175	53,235	66,661
Net revenue	**177,104**	**243,162**	**474,280**	**651,408**

	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**	**September 30, 2022**	**December 31, 2021**	**September 30, 2022**
Italy	577,220	579,607	15,765	17,962
Australia	84,274	86,390	2,140	2,070
India	59,680	60,160	1,201	1,694
Poland	49,842	47,633	-	-
Mexico	34,928	43,966	50	59
Spain	38,634	38,138	685	419
Ukraine	31,828	21,062	-	-
UK	20,039	19,980	1,444	1,539
South Africa	12,940	13,031	517	532
Brazil	9,497	11,236	-	-
Germany	11,082	10,476	2,364	1,972
New Zealand	10,663	9,890	207	204
Kenya	8,417	8,591	330	285
Chile	7,395	8,370	1,729	1,793
France	7,705	7,447	0	0
China	7,234	6,903	234	138
Argentina	4,348	5,577	533	1,264
Other countries	23,527	24,997	710	684
Consolidation adjustmenst	59,080	51,412	1,120	2,745
Total	**1,058,335**	**1,054,864**	**29,029**	**33,360**

The group is not exposed to significant geographical risks other than normal business risks except for what highlighted in paragraph (5) Russia – Ukraine conflict.

Information about key customers

In the Closures segment, there is one customer that generated over 10% of revenue in the first nine months of 2022 of around €94 million (roughly 14% of net revenue).

(5) Russia - Ukraine conflict

The 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 are safe. No damage was suffered in relation to the assets of the company.

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

In the first nine months of 2022, GC Ukraine recognised revenue of approximately €52 million and an EBITDA of approximately €10 million (respectively €45 million and €12 million in the first nine months of 2022), which included accruals linked to potential losses due to the conflict for an amount of €2.4 million and impairment losses of €4.9 million on the customer relationships attributable to the Russian market following the lack of visibility on the ongoing business in the Russian market, with net assets of about €50 million.

About half of the 2021 annual turnover of GC Ukraine was realised with third parties, 50% of which with customers located in Ukraine and Russia. At group level, in 2021, roughly 2.7% of consolidated net revenue was realised with Russian local customers and 1.6% with Ukrainian local customers. The remaining intragroup sales were mainly realised with GC S.p.A., GC North America and GC Belarus, with sales of aluminium shells and components.

Contingency plans have been implemented to mitigate the potential impacts on customers and the group. In particular, as soon as the war started, we immediately began relocating production for international customers to other group plants, also considering the non-recurring 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 recovered in the first nine months of the year. No sales were made to local Russian customers after March 2022 by group companies.

Production in Ukraine resumed at the end of March, but with fewer employees involved. Sumy has returned under the control of Sumy Regional State Administration and many business activities have resumed.

At September 30, 2022, GC Ukraine had €0.2 million of trade receivables due from Russian customers, €3.2 million due from Ukrainian customers and €1.1 million due from GC Belarus provided for a total amount of about €2 million. All receivables from Russian customers and €0.4 million from Ukrainian customers had been collected as of the date of this report.

The Group is continuously monitoring the current conflict, which is not affecting the area of Sumy, where the main plant is located. Due to the current situation, to improve among others the logistics, GC Ukraine has decided to move a minor part of its production lines to a satellite plant located in the city of Ternopil, near the Polish Border, where the company plans to employ around 100 people. The overall production capacity and product portfolio of GC Ukraine will not be affected by such transfer.

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

Until March 2022, GC Belarus revenue is mostly generated with Russia, selling closures produced from aluminium shells and components purchased from Ukraine. In the first nine months of 2022, the company realised revenue of approximately €3 million and an EBITDA close to zero (respectively €8.5 million and €0.5 million in the first nine months of 2021), with net assets of €0.3 million.
At September 30, 2022, GC Belarus had no trade receivables due from Russian customers and, due to the lack of supply and freeze on sales to Russian local customers, the company has been inoperative since March.

Continued isolation of Belarus triggered the risk not to be able to recover the value of the fixed assets of the company implying an impairment covering the full net book value at 30 September 2022 of property, plant and equipment and right of use asset for an amount of about €1 million.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(6) Net revenue

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

	3Q		9M	
(€'000)	2021	2022	2021	2022
Europe	100,741	132,849	275,090	372,720
Asia	19,736	23,062	53,964	62,555
Americas	40,489	67,817	102,660	166,707
Oceania	10,262	13,086	26,768	31,317
Africa	5,877	6,347	15,799	18,109
Total	**177,104**	**243,162**	**474,280**	**651,408**

The table below illustrates net revenue by product:

	3Q		9M	
(€'000)	2021	2022	2021	2022
Safety closures	68,302	91,178	180,430	240,607
Luxury closures	11,985	23,452	28,636	56,718
Roll-on closures	90,659	120,648	249,004	330,324
Other revenue	6,158	7,884	16,211	23,759
Total	**177,104**	**243,162**	**474,280**	**651,408**

The table below illustrates net revenue by destination market:

	3Q		9M	
(€'000)	2021	2022	2021	2022
Spirits closures	112,822	157,831	299,275	414,596
Wine closures	33,632	42,747	93,142	116,972
Olive oil & condiments closures	3,532	4,161	10,725	14,229
Water closures	15,558	22,569	37,493	58,726
Non-alcoholic beverages closures	4,092	5,027	11,163	14,030
Closures for other markets	7,469	10,828	22,482	32,855
Total	**177,104**	**243,162**	**474,280**	**651,408**

(7) Other operating income

This caption includes:

	3Q		9M	
(€'000)	**2021**	**2022**	**2021**	**2022**
Sundry recoveries/repayments	292	187	3,308	3,476
Gains on sale of non-current assets	194	105	576	259
Other	154	118	329	503
Total	**641**	**410**	**4,213**	**4,239**

Government grant of €1.2 million in the first nine months of 2022 are almost totally referred to the ones received by GC Deutschland for Covid expenses compensation.

(8) Internal work capitalised

	3Q		9M	
(€'000)	**2021**	**2022**	**2021**	**2022**
Internal work capitalised	1,233	1,548	3,505	3,562
Total	**1,233**	**1,548**	**3,505**	**3,562**

(9) Costs for raw materials

This caption includes:

	3Q		9M	
(€'000)	**2021 (*)**	**2022**	**2021 (*)**	**2022**
Raw materials and supplies	76,559	117,055	213,879	315,019
Packaging	3,152	4,870	9,357	13,568
Consumables and maintenance	2,245	2,873	6,767	8,374
Fuels	114	142	294	440
Other purchases	1,291	1,196	3,131	4,168
Change in inventories	(2,483)	(7,837)	(14,722)	(21,313)
Total	**80,878**	**118,299**	**218,706**	**320,256**

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

Costs for raw materials increased by €101 million from €218.7 million in the first nine months of 2021 (46.1% of net revenue) to €319.7 million in the first nine months of 2022 (49.1%), due to the increase in the cost of plastic and aluminium, mitigated by the increase in selling price. The cost of aluminium in the first nine months of 2022 also includes a negative impact of €6 million due to the aluminium derivatives.

(10) Costs for services

This caption includes:

	3Q		9M	
(€'000)	**2021 (*)**	**2022**	**2021 (*)**	**2022**
Electricity / heating	8,555	13,129	22,722	37,248
Transport	8,368	11,533	21,716	32,064
External processing	1,952	3,854	5,274	8,693
Maintenance	2,058	2,473	6,329	7,026
Sundry industrial services	1,881	2,547	5,280	7,020
Legal and consulting fees	1,281	1,396	4,923	5,821
Insurance	748	1,133	2,357	2,929
Travel	524	960	1,352	2,535
Administrative services	625	744	2,556	2,328
Technical assistance	552	432	1,425	1,988
Directors' fees	434	616	1,047	1,943
External labour / porterage	448	652	1,063	1,571
Cleaning service	423	485	1,244	1,337
Commissions	265	347	1,077	1,010
Advertising services	160	202	367	603
Telephone costs	123	188	451	532
Security	135	186	350	500
Entertainment expenses	86	115	240	319
Commercial services	71	75	207	194
Expos and trade fairs	10	-	10	-
Other	345	575	1,398	1,837
Total	**29,044**	**41,641**	**81,385**	**117,500**

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

(11) Personnel expense

This caption includes:

	3Q		9M	
(€'000)	**2021**	**2022**	**2021**	**2022**
Wages and salaries	26,304	30,248	80,117	89,637
Social security contributions	3,786	4,008	11,630	12,835
Expense from defined benefit plans	382	470	1,390	1,378
Other costs	3,466	2,537	9,063	6,919
Total	**33,938**	**37,264**	**102,199**	**110,768**

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

At December 31, 2021 and September 30, 2022, the group had the following number of employees:

	December 31, 2021	September 30, 2022
Blue collars	3,523	3,591
White collars	1,040	1,005
Managers	296	300
Total	**4,859**	**4,896**

(12) Other operating expense

This caption includes:

	3Q		9M	
(€'000)	**2021**	**2022**	**2021**	**2022**
Accruals to provisions	(242)	3,256	1,399	4,657
Taxes and duties	572	890	1,471	2,110
Use of third-party assets	500	523	1,404	1,537
Other charges	475	588	1,441	2,206
Total	**1,305**	**5,258**	**5,715**	**10,511**

The accruals to provisions mainly include the provisions for restructuring in Luxembourg, China and France. 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:

	3Q		9M	
(€'000)	**2021**	**2022**	**2021**	**2022**
Exchange gains	560	8,032	4,181	14,448
Fair value gains on currency derivatives	(0)	-	(0)	-
Interest income	25	133	77	285
Financial income on financial liabilities to non-controlling investors	-	(2,100)	-	819
Fair value gains on market warrants	289	-	5,961	-
Other financial income	513	1,342	1,631	3,400
Total	**1,387**	**7,407**	**11,850**	**18,951**

(14) Financial expense

This caption includes:

	3Q		9M	
(€'000)	**2021**	**2022**	**2021**	**2022**
Interest expense	4,975	4,920	14,880	14,677
Exchange losses	3,048	6,327	7,886	12,731
Financial expense on financial liabilities to non-controlling investors	663	-	3,321	-
Non-recurring Financial expense for refinancing	3,949	-	7,720	-
Other financial expense	660	1,184	2,003	2,935
Total	**13,295**	**12,431**	**35,811**	**30,344**

Interest expense of €14.7 million mainly refers to the Guala Closures S.p.A. bond.

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

Other financial expense for the first nine months of 2022 includes €872 thousand related to the application of IFRS 16 (€813 thousand in the first nine months of 2021).

(15) Income taxes

This caption includes:

	3Q		9M	
(€'000)	**2021**	**2022**	**2021**	**2022**
Current taxes	(4,618)	(10,846)	(12,533)	(23,743)
Deferred taxes	774	4,084	5,623	9,521
Total	**(3,845)**	**(6,762)**	**(6,910)**	**(14,222)**

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 (€130 thousand).

The decrease in tax rate from 101.5% in the first nine months of 2021 to 24.7% in the first nine months of 2022 is mainly attributable to the increase of pre-tax result and and higher deferred tax assets recognized on the losses carried forward and provision accounted for and the release of deferred tax liabilities released mainly in Ukraine due to customer relationship impairment.

Statement of financial position

(16) Cash and cash equivalents

Cash and cash equivalents totalled €89,768 thousand at September 30, 2022 (€80,032 thousand at December 31, 2021).

(17) Trade receivables

This caption may be analysed as follows:

(€'000)	December 31, 2021	September 30, 2022
Trade receivables	121,731	155,308
Loss allowance	(2,199)	(5,026)
Total	**119,532**	**150,282**

The balance of trade receivables reflects the use of without-recourse factoring by the group companies. Such impact at September 30, 2022 was €39.1 million, compared to €37.2 million at December 31, 2021 and €31.8 million at September 30, 2021. The increase of factoring compared to December 2021 is due to the fact that we sold more to customers that use factoring.

The loss allowance changed as follows:

(€'000)	September 30, 2022
Opening balance	2,199
Net exchange losses	10
Accruals	3,609
Utilisations/releases of the period	(792)
Closing balance	**5,026**

At September 30, 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. Accruals of the period include charges related to Russian and Ukrainian customers and an increase in the expected credit loss on trade receivables for the Group to reflect uncertainties in the macro-economic environment.

(18) Inventories

This caption may be analysed as follows:

(€'000)	December 31, 2021	September 30, 2022
Raw materials, consumables and supplies	67,977	89,721
Allowance for inventory write-down	(4,279)	(5,182)
Work in progress and semi-finished products	28,401	39,106
Allowance for inventory write-down	(1,058)	(2,317)
Finished products and goods	30,257	38,203
Allowance for inventory write-down	(1,336)	(1,399)
Payments on account	303	1,697
Total	**120,265**	**159,829**

Changes in the first nine months of 2022 are as follows:

(€'000)	
January 1, 2022	120,265
Exchange losses	(1,540)
Change in raw materials, consumables and supplies	21,313
Change in finished goods and semi-finished products	18,397
Change in payments on account	1,394
September 30, 2022	**159,829**

The allowance for inventory write-down changed as follows:

(€'000)	September 30, 2022
Opening balance	6,673
Net exchange gains	(76)
Accruals	2,301
Closing balance	**8,898**

The increase in the allowance for inventory write-down is mainly due to the increase on both quantities and unit value of inventory items that required a more conservative approach for those items that have not moved for a period close to one year.

(19) Property, plant and equipment

The following table shows the changes in this caption in the first nine months of 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	218	3,727	267	34	273	**4,518**
Increases	6	2,037	(0)	337	23,554	**25,933**
Disposals	-	(76)	(370)	(6)	(8)	**(460)**
Impairment losses	-	(606)	(20)	(175)	(358)	**(1,159)**
Reclassifications	748	4,929	2,505	184	(9,911)	**(1,545)**
Depreciation	(1,598)	(21,719)	(1,697)	(365)	-	**(25,378)**
Historical cost at September 30, 2022	64,441	247,878	26,294	4,197	22,571	**365,381**
Accumulated depreciation and impairment losses at September 30, 2022	(9,062)	(121,569)	(11,046)	(2,503)	-	**(144,180)**
Carrying amount at September 30, 2022	**55,379**	**126,309**	**15,248**	**1,694**	**22,571**	**221,201**

In the first nine months of 2022, net capex of €25.5 million mainly refers to investments made to increase production capacity, develop new products, perform plant maintenance and EHS (Environment, Health and Safety) investments.

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

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

Impairment of €1.2 million mainly includes the full write off of property plant and equipment of GC Belarus as a consequence of the risk not to be able to recover the value of the fixed assets of the company due to the significant uncertainties of the local situation.

None of the group's property, plant and equipment has been pledged as collateral at the reporting date, except for the items indicated in note 29) Commitments and guarantees.

(20) Right-of-use assets

The following table shows the changes in this caption in 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/(losses)	71	465	(28)	234	**742**
Increases	4,868	257	627	760	**6,511**
Impairment losses	(308)	-	-	-	**(308)**
Reclassifications	-	1,545	-	-	**1,545**
Depreciation of right-of-use assets	(2,871)	(629)	(479)	(609)	**(4,588)**
Historical cost at September 30, 2022	26,600	5,181	3,877	4,960	**40,619**
Accumulated depreciation and impairment losses at September 30, 2022	(13,149)	(2,397)	(2,649)	(2,995)	**(21,191)**
Carrying amount at September 30, 2022	**13,451**	**2,784**	**1,227**	**1,965**	**19,428**

The main increases in right-of-use assets relate to land and buildings, specifically for renewal of property leases in the UK.

Impairment losses refers to the full write off of GC Belarus right of use assets.

(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 amortisation 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)	15	26	0	2,805	206	**3,053**
Increases	193	33	-	10	1,237	**1,473**
Disposals	-	-	-	-	(105)	**(105)**
Impairment losses	-	-	-	(4,942)	(1)	**(4,943)**
Reclassifications	151	159	-	(0)	(309)	**(0)**
Amortisation	(606)	(3,235)	-	(5,596)	-	**(9,437)**
Historical cost at September 30, 2022	5,525	133,618	505,224	241,773	3,468	**889,607**
Accumulated amortisation and impairment losses at September 30, 2022	(3,336)	(34,770)	-	(37,941)	-	**(76,047)**
Carrying amount at September 30, 2022	**2,189**	**98,848**	**505,224**	**203,831**	**3,468**	**813,560**

The macro-economic trend in the first nine months of 2022 triggers the need to perform an in-depth assessment of the net realisable value of customer relationship namely for the market directly impacted by the Russia-Ukraine conflict: this caption decreased from December 31, 2021 due to the impairment losses recognised on the business relationships with customer of about €5 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 €9.4 million, partially offset by the positive translation effect of €3.1 million and the net increases of the period of €1.4 million.

Licences and patents mainly refer to the Guala Closures trademark which is not amortised as from 2021 as it has an indefinite useful life and is tested annually for impairment. The main economic and financial indicators of the group for the first nine months of 2022 show an external revenue trend higher than that of 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 trigger events and/or additional circumstances compared to December 31, 2021 that could indicate an impairment of the 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" mostly refers to business relationships with customers.

Goodwill arising on the PPA procedures is unchanged at September 30, 2022 compared to December 31, 2021. Goodwill is not amortised, but 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). Since its recognition on July 31, 2018, goodwill has never been impaired. Reference should be made to the 2021 annual report for information on the previous impairment test.

The macro-economic trend in the first nine months of 2022 did not trigger any significant change in customer contracts or any change in the revenue recognition criteria previously identified. The main economic and financial indicators of the group for the first nine months of 2022 show an improvement in the trend for the group in term of adjusted gross operating profit (adjusted EBITDA), net working capital and net financial position improved compared to the 2022 budget used for the purposes of the impairment test as at December 31, 2021.

The level of net invested capital at September 30, 2022 is consistent and substantially in line with the most recent forecasts at that date and therefore there have been no changes in the amount of the net invested capital that could affect the validity of the impairment test carried out at December 31, 2021.

On this basis, the directors have not identified specific trigger events and/or additional circumstances compared to December 31, 2021 that could indicate an impairment of goodwill and, consequently, 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 September 30, 2022 and December 31, 2021 are shown below:

(€'000)	**December 31, 2021**	**September 30, 2022**
Current financial liabilities		
Bonds	722	4,740
Other bank loans and borrowings	5,443	1,744
Other financial liabilities	3,643	3,846
	9,808	***10,330***
Non-current financial liabilities		
Bonds	500,000	500,000
Transaction costs	(15,844)	(14,599)
Other bank loans and borrowings	1,735	1,121
Other financial liabilities	46,916	49,670
	532,807	***536,191***
Total	**542,615**	**546,521**

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

The 2028 Notes bear fixed interest at a rate of 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) + 2.0%. This margin decreased from the original rate of 2.5% to 2.0% based on the decreasing leverage-based margin ratchet set out in the 2028 RCF. The 2028 RCF will expire January 7, 2028. Furthermore on August 8, 2022, Guala Closures subscribed an "Additional Facility Lender" to the "2028 RCF" with Cassa Depositi e Prestiti S.p.A. ("CDP") for an amount €16 million. The expiry date of the additional facility is in line with the 2028 RCF bearing an interest rate applicable to drawn amounts equal to EURIBOR, LIBOR or a different parameter identified as the Compounded Reference Rate (2028 RCF + 2.5% p.a.), but based on the decreasing leverage-based margin ratchet set out in the 2028 RCF. The 2028 RCF margin decreased from the original rate of 2.5% to 2.0% based on the decreasing leverage-based margin. Guala Closures paid an upfront fee of €0.4 million.

The interest rates and maturity dates of the financial liabilities at September 30, 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 other bank loans and borrowings				**7,177**	**5,443**	**1,735**	**-**	**1,735**
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
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"

				Nominal amount				
					Current	Non- current		
(€'000)	Currency	Nominal interest rate	Year of maturity	Total September 30, 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	4,740	4,740	-	-	-
Transaction costs	€	n.a.	2028	(13,333)	-	-	(13,333)	(13,333)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**491,406**	**4,740**	**-**	**486,667**	**486,667**
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€	Euribor 3M+1.75%	2028	-	-	-	-	-
Transaction costs	€	n.a.	2028	(1,266)	-	-	(1,266)	(1,266)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(1,266)**	**-**	**-**	**(1,266)**	**(1,266)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2022	110	110	-	-	-
Allianz Bank (Bulgaria)	BGN	BDILE+1.4% (*)	n.a.	195	195	-	-	-
Millennium S.A. facilities (Poland)	PLN	Wibor 1M (**)	n.a.	105	105	-	-	-
Banco Chile loan (Chile)	CLP	3.48%	2023	53	53	0	-	0
Loans Itaú Bank (Brazil)	BRL	n.a.	2024	43	17	26	-	26
Facilities (Argentina)	ARS	n.a.	n.a.	(0)	-	(0)	-	(0)
Bancomer loans (Mexico)	USD	n.a.	2023	2,359	1,265	1,094	-	1,094
TOTAL other bank loans and borrowings				**2,865**	**1,744**	**1,121**	**-**	**1,121**
Other financial liabilities:								
Market warrants	€	n.a.	n.a.	-	-	-	-	-
Leases (IFRS 16)	€	n.a.	n.a.	19,915	3,845	13,713	2,357	16,070
Non-controlling investors' put options	€	n.a.	n.a.	33,600	-	-	33,600	33,600
Other liabilities	€	n.a.	n.a.	2	2	-	-	-
TOTAL other financial liabilities				**53,516**	**3,846**	**13,713**	**35,957**	**49,670**
TOTAL				**546,521**	**10,330**	**14,833**	**521,358**	**536,191**

(*) BDILE stands for "Base Deposit Index for Legal Entities"
(**) 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 condensed interim 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 period, 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 September 30, 2022 is shown in the table below:

Credit facility	Available amount (thousands of Euros)	Amount used at September 30, 2022	Residual available amount at September 30, 2022	Repayment date
Senior Revolving Credit Facility due 2028	96,000	-	96,000	final repayment 07/01/2028
Total	**96,000**	**-**	**96,000**	

(23) Trade payables

These may be analysed as follows:

(€'000)	December 31, 2021	September 30, 2022
Suppliers	99,937	119,884
Payments on account	776	1,589
Total	**100,714**	**121,473**

(24) Provisions

This caption may be analysed as follows:

CURRENT PROVISIONS:

(€'000)	December 31, 2021	September 30, 2022
Provision for company reorganisations	1,027	3,524
Provision for returns	1,151	2,174
Other provisions	416	514
Total current provisions	**2,594**	**6,212**

The provision for company reorganisations includes:

- €1,610 thousand for the reorganisation of the company in Luxembourg;
- €1,297 thousand for the reorganisation of the company in China;
- €357 thousand for the closing of the plant of Saint Remy in France;
- €169 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 €70 thousand for the early retirement of staff in Germany.

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

Changes in the provisions are as follows:

CURRENT PROVISIONS:

(€'000)	**September 30, 2022**
Opening balance	2,594
Exchange losses	(2)
Accruals	4,646
Utilisations	(1,026)
Closing current provisions	**6,212**

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

NON-CURRENT PROVISIONS:

(€'000)	**December 31, 2021**	**September 30, 2022**
Provision for legal disputes	77	72
Provision for agents' termination indemnity	146	155
Total non-current provisions	**223**	**227**

Changes in the provisions are as follows:

NON-CURRENT PROVISIONS:

(€'000)	**September 30, 2022**
Opening balance	223
Exchange losses	(1)
Accruals	11
Utilisations	(5)
Closing non-current provisions	**227**

(25) Other current liabilities

This caption may be analysed as follows:

(€'000)	**December 31, 2021**	**September 30, 2022**
Amounts due to employees	12,930	16,932
Liabilities for investments	3,196	4,565
Social security charges payable	3,459	3,327
Liabilities for dividends	-	1,547
Liabilities for transaction costs on 2028 Bonds	486	-
Other liabilities	12,867	16,570
Total	**32,939**	**42,942**

Increase in Amount due to employees mainly attributable to the accrual of the thirteenth month salary, to some liabilities versus Mexican employees due to local regulation and to severance indemnity accrued.
Other liabilities include €1.4 million of insurance refund as advance payment received.

(26) Equity attributable to the owners of the parent

The paid-up and subscribed share capital of Guala Closures S.p.A. at September 30, 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 (for additional information reference should be made to section 22) Current and non-current financial liabilities of the 2021 Consolidated Financial Statements).

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

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 September 30, 2022**	**Balance at December 31, 2021**	**Balance at September 30, 2022**
Guala Closures Technologia Ukraine LLC	30.0%	30.0%	14,798	14,802
Guala Closures India Pvt Ltd.	5.0%	5.0%	3,385	3,636
Guala Closures de Colombia LTDA	6.8%	6.8%	536	635
Guala Closures Bulgaria A.D.	30.0%	30.0%	2,549	2,837
Guala Closures DGS Poland S.A.	30.0%	30.0%	20,433	22,256
Guala Closures BY LLC	30.0%	30.0%	284	80
Total			**41,985**	**44,247**

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 September 30, 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	17			119,532		119,532				-
Financial assets				559		559				-
Investments in associates				2,536		2,536		-		-
Cash and cash equivalents	16			80,032		80,032				-
		-	**-**	**202,659**	**-**	**202,659**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Market warrants	22	(4)				(4)			(4)	(4)
Aluminium derivatives used for trading			(58)			(58)		(58)		(58)
Non-controlling investors' put options	22	(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	22				(3,921)	(3,921)		(3,921)		(3,921)
Secured bank loans	22				(2,122)	(2,122)		(3,088)		(3,088)
Unsecured bank loans	22				(168)	(168)		(168)		(168)
Secured bond issues	22				(485,845)	(485,845)		(499,745)		(499,745)
Lease liabilities (IFRS 16)	22				(16,136)	(16,136)				-
Trade payables	23				(100,714)	(100,714)				-
		-	**-**	**-**	**(608,906)**	**(608,906)**	**-**	**(506,923)**	**-**	**(506,923)**

September 30, 2022		Carrying amount					Fair value			
	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
ssets measured at fair value										
derivatives held for trading		-	-			-		-		-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets not measured at fair value (*)										
Trade receivables	17			150,282		150,282				-
Financial assets				977		977				-
Investments in associates				2,208		2,208		-		-
Cash and cash equivalents	16			89,768		89,768				-
		-	**-**	**243,235**	**-**	**243,235**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
derivatives used for trading		-	(5,122)			(5,122)		(5,122)		(5,122)
lling investors' put options	22	(33,600)				(33,600)		-	(33,600)	(33,600)
		(33,600)	**(5,122)**	**-**	**-**	**(38,722)**		**(5,122)**	**(33,600)**	**(38,722)**
Financial liabilities not measured at fair value (*)										
Bank overdraft	22				(299)	(299)		(299)		(299)
Secured bank loans	22				(1,203)	(1,203)		(1,203)		(1,203)
Unsecured bank loans	22				(97)	(97)		(97)		(97)
Secured bond issues	22				(491,406)	(491,406)		(440,757)		(440,757)
Lease liabilities (IFRS 16)	22				(19,915)	(19,915)				-
Trade payables	23				(121,473)	(121,473)				-
Other financial liabilities	22				(2)	(2)				-
		-	**-**	**-**	**(634,395)**	**(634,395)**	**-**	**(442,355)**	**-**	**(442,355)**

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

(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

Level 1

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

Level 2

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

Financial instruments measured and not measured at fair value

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

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

Sometimes the group decided not to designate aluminium currency derivative contracts as hedge accounting relationships for operational reasons. The derivative agreements used by the Group are forward and option exchange contracts covering aluminium exposure on raw material purchases. All derivatives contracts were designated as hedge accounting relationships in the first nine months of 2021 while not all derivatives are designated as hedges in the first nine months of 2022.

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 exercisable by their respective holders, except in the 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 carried out 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	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 (€50 million); • inflation data about Ukraine, Bulgaria, Poland and the USA, used to calculate risk-free rates (1.8%-2.6%); • discount rate specific to the country in which the subsidiary operates, adjusted by the group's credit risk (7%-32%); • 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 income" Net fair value loss (unrealised)	(819)
Market warrants reclassification	(4)
Balance at September 30, 2022	**33,600**

Sensitivity analysis

Reasonably possible changes at September 30, 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%	2,356
	(1%)	(2,998)
Growth rate	1%	(1,362)
	(1%)	2,573
Expected date of put option exercise	+ 1 year	1,768
	- 1 year	(1,896)

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

In accordance with the provisions of the documents governing the 2028 Notes and the 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. (together, the "Post-Closing Collateral").

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 (the "Mexican Collateral" and together with the Initial Collateral and the Post-Closing Collateral, the "Collateral").

In addition, on 8 August 2022, Guala Closures established a €16.0 million (equivalent) multi-currency revolving credit facility (the "Additional RCF"). The Additional RCF will be guaranteed by the Guarantors and secured by the Collateral on the same basis as the 2028 RCF and confirmatory collateral (or equivalent) will be granted in respect of the existing Collateral to cover the Additional RCF in each applicable jurisdiction.

(30) Related party transactions

Transactions with key management personnel are set out below:

(€'000)	Costs recognised in the period						Other liabilities at September 30, 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	839	1,031	1,238	36	21	**3,166**	1,833	3,706

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 the 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 INR400 million (about €5 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 do Brasil

In February 2020 Guala Closures do Brazil LTDA obtained authorisation from the the Federal Supreme Court (STF) to exclude ICMS (a state tax on goods) from the calculation base of PIS and COFINS taxes (federal tax on revenue) for the period from July 2012 to June 2017 in accordance with the decision taken by the STF in March 2017 recording a tax credit of R$ 2.2 million (EUR 0.4 million) that was already recognised in the 2020 consolidated financial statements. On May 13, 2021, the Federal Supreme Court of Brazil (STF) concluded on the mechanism to be used by the tax payers to recover the credits, holding that only those that made a claim prior to March 15, 2017 have the right to recover the amounts improperly paid over the last five years.

On May 9, 2022, after the legal deadline (February 2022), the local Tax Authority filed a rescission action against Guala Closures do Brasil with reference to the final decision of the Federal Court authorising the company to exclude ICMS from the calculation base of PIS and COFINS taxes, for an amount of BRL1.9 million.

Local management submitted its defence, requesting the annulment of the action due to the expired deadline. The request is pending for a reply from the local Tax Authority.

(32) Events after the reporting period

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

Acquisition of Labrenta S.r.l.

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

Labrenta has a production capacity of approximately 180 million annual closures and in 2021 it achieved a turnover of approximately €22 million, with an EBITDA of €3.5 million. These results are expected to grow in 2022, with an expected turnover of €33 million and an EBITDA of €6 million. Labrenta has around 140 employees and over 800 customers in more than 70 countries.

Total purchase price was about €45 million, including € 15 million that Cortapedra S.r.l. has reinvested in SPSI. The first instalment of the price for an amount of €14.6 million was paid through available cash.

Guala Closures Chengdu

On October 28, 2022, the company received from its parent company Guala Closures B.V. a capital injection for an amount of €0.7 million to fulfill with the initial investment obligations.

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

November 11, 2022