JUNE 30, 2021

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

COMPANY OFFICERS

BOARD OF DIRECTORS

Chairman and CEO	Gabriele Del Torchio
Director	Dante Razzano
Director	Roberto Maestroni
Director	Francisco Javier De Juan Uriarte
Director	Chiara Arisi
Director	Marco Giovannini
Lead independent director	Marina Brogi
Independent director	Chiara Palmieri
Independent director	Raffaella Viscardi

CONTROL, RISK AND SUSTAINABILITY COMMITTEE

President	Marina Brogi
Independent director	Chiara Palmieri
Independent director	Raffaella Viscardi

APPOINTMENT AND REMUNERATION COMMITTEE

President	Chiara Palmieri
Independent director	Marina Brogi
Director	Dante Razzano

BOARD OF STATUTORY AUDITORS

President	Benedetta Navarra
Standing auditor	Fioranna Vittoria Negri
Standing auditor	Massimo Gallina
Substitute auditor	Mariateresa Salerno
Substitute auditor	Ugo Marco Luca Maria Pollice

INDEPENDENT AUDITORS

KPMG S.p.A.

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1. Directors’ report

Guala Closures Group

1.1 Introduction

€ 572.0 MLN
2020 NET REVENUE

SALES NETWORK
IN OVER **100**
COUNTRIES

AROUND **17 BILLION**
CLOSURES
PRODUCED IN 2020

4 PRODUCT
CATEGORIES

OVER
170 PATENTS AND
INTELLECTUAL
PROPERTY RIGHTS

30 FACILITIES
&
3 SALES OFFICES

4,860
EMPLOYEES
AROUND THE WORLD

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

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

In 2020, the group produced and sold around 17 billion closures in four product lines (safety, luxury, roll-on for wine, roll-on) and across four destination markets (spirits, wine, water & 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 also 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.

The parent, Guala Closures S.p.A., was listed on the STAR segment of the Milan stock exchange from August 2018 to July 2021.

Vision and mission

Throughout every group company, Guala Closures promotes continuous sustainable development at all times to strengthen its leadership in the production of closures for the market segments where it operates. This is achieved through full customer satisfaction, a focus on consumers, the enhancement of human resources, continuous product and process innovation, investor satisfaction and a focus on the environment and local communities.

The mission of 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

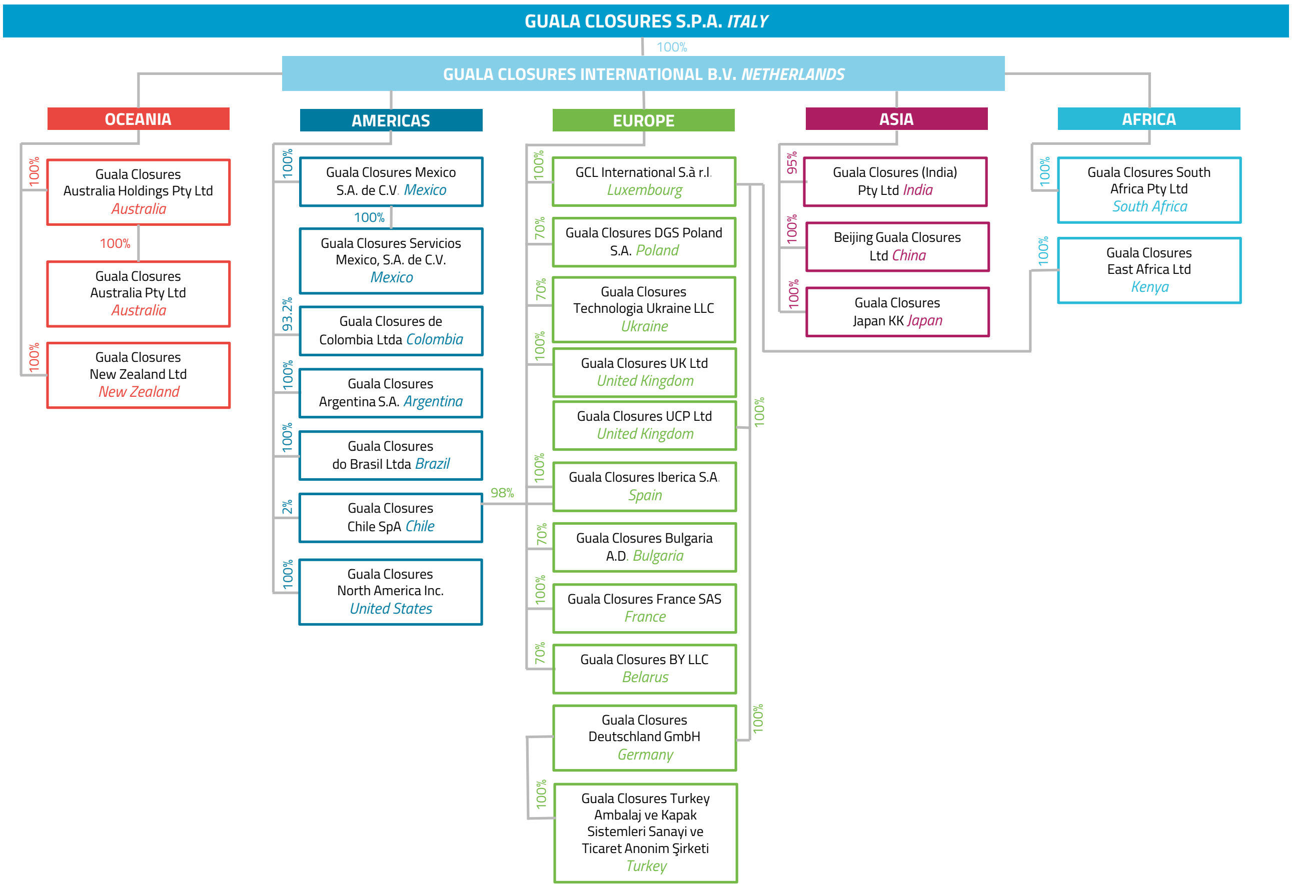
Professionalism: personnel training and growth in the pursuit of continuous and ongoing development;

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, owned by the operational company Guala Closures S.p.A., operates on five continents. The following chart illustrates the group structure at June 30, 2021 (companies consolidated on a line-by-line basis):



The group structure changed in the first half 2021 as follows:

- In February 2021, the Luxembourg subsidiary GCL International S.à r.l. subscribed a capital increase of SharpEnd Partnership Ltd., an innovative technology services agency based in London, increasing its investment from 20% to 30% of the associate's fully diluted capital. As this is an associate, it is not included in the consolidation scope, as it is consolidated with equity method.

The following changes have taken place in the first half 2020:

- The investment in GCL Pharma S.r.l. was sold in April 2020;
- In September 2020, the German company Guala Closures Deutschland formalised the acquisition of the investment in Guala Closures Turkey, which is part of the Closurelogic business, following the fulfilment of certain previously agreed conditions.

1.3 Product lines and destination markets

1.4 Product and process research and innovation

The first half 2021 continues to consolidates the trend that emerged in 2020 in the development of innovative and sustainable products; innovation, large re-packs and sustainability are increasingly interconnected elements and at the same time present in all the projects and requests of our customers.

New products and innovation on materials

The R&D teams are developing products dedicated to individual brands with the aim of both updating products in the Group portfolio and the acquisition of new market shares and volumes. In all these projects, technological innovation, refined design and protection are combined with the application of sustainable solutions.

The action of the R&D teams is also focused on projects characterised by strong technological challenges with a medium-term time frame. Such activity includes both research on innovative sustainable materials, but also on technical solutions for reducing the environmental impact throughout the life of the packaging, with the analysis involving all steps of the life of a product, from the production of the chosen raw materials to the end-of-life treatment of the product, through tools developed by the Group with selected partners.

These methodologies will become a standard in the development of new products and will allow in the very near future to evaluate the environmental impact of each solution under development, allowing each designer to better direct the design.

NFC e-closures and other technologies

The Group continued to test digital technologies during the first half 2021. The emphasis in recent months has been put on NFC technologies with a strong innovative content and on alternative technologies to NFC (e.g., QR - or coded liner).

The systems based on NFC and QR (or coded liner) allow to confirm to the consumer the certification of authenticity and provide all the information on the product, involving the consumer in a direct and loyal relationship with the brand.

Process innovation

The Group continued investing in process innovation with the aim to improve the production process and the process efficiency (e.g., multi-injection process and flexible automation).

1.5 Sustainability

2021 confirmed the commitment of the Guala Closures Group to sustainability. During the first half of the year, the activities consolidated over time continued and many other projects were launched.

During the first half of the year, some important initiatives were launched aimed at positively impacting the social and environmental areas of a wide range of stakeholders.

A web-based lifecycle assessment software has been developed for interpret and evaluate the environmental impacts deriving from a process or a product, throughout its entire life cycle. This methodology is mostly used for two purposes: analysing and measuring the environmental efficiency of one's products or processes in order to improve them, as well as during the design phase to compare and evaluate different solutions and alternatives according to their environmental profiles.

From the point of view of the Group's transition to energy from renewable sources, in the first quarter of the year, the Spanish plant in Jerez signed a contract with a local energy supplier to cover the entire electricity consumption of the half year with energy from renewable sources. With Jerez, Guala Closures Group counts six plants that rely on energy from renewable sources, and these are Olerdola, Auckland, San Paolo, Termoli and Magenta.

The commitment to the Diversity and Inclusion project continued during the first half of the year, with the launch of two working groups involving employees from all over the world on the topics of age and equity. The first theme mainly refers to the sharing of knowledge and skills between generations of different workers, favouring a transfer of skills between senior and junior employees and vice versa. On the other hand, the group dedicated to the equity theme, works on equal treatment and equal opportunities regardless of one's gender and identity. The ultimate goal of the project is to generate policies and best practices that favour the integration of the peoples within the Group.

A survey was completed in the second quarter of 2021 and will be launched in July aimed at investigating the understanding and sharing of the topics covered over time by the Sustainability Program "Working together for sustainable growth". The results of the questionnaires will be used as a basis for the drafting of the new sustainability program 2022 - 2030.

Confirming the Group's commitment to offsetting its emissions, 30,000 Carbon Credits were purchased during the half year, offsetting 30,000 tons of CO_2 emitted.

During the semester, continuity was also given to the reforestation program: in India, in the Gujarat region, 35,000 trees were planted, contributing not only to CO_2 sequestration in the area, but also to the subsistence and food diversification of local communities.

The monitoring and reporting activities on the environmental, social and industrial topics continued during the semester activities these activities led to the publication of the tenth edition of the sustainability report.

Financial performance

2.1 Group performance

Key figures

	Reported figures			Like-for-like basis [1]		
	H1 2020	H1 2021		H1 2020	H1 2021	
(€ mln)		Current exchange rates	Constant exchange rate [2]		Current exchange rates	Constant exchange rate [2]
Revenue [2]	**272.3**	**297.2**	**308.2**	**272.3**	**297.0**	**308.1**
% variation		*9.1%*	*13.2%*		*9.1%*	*13.1%*
Adjusted gross operating profit (Adjusted EBITDA)[2]	**44.2**	**50.8**	**53.8**	**44.2**	**51.4**	**54.4**
% variation		*14.9%*	*21.6%*		*16.2%*	*23.0%*
Adjusted gross operating profit (Adjusted EBITDA) margin	***16.2%***	***17.1%***	***17.5%***	***16.2%***	***17.3%***	***17.7%***

(€ mln)	June 30, 2020	December 31, 2020	June 30, 2021
Net financial indebtedness [3]	484.6	464.2	477.6

Employees	4,860
Facilities	30 production facilities and 3 sales offices in 25 countries on 5 continents
Patents and intellectual property rights	over 170

Notes:

(1) *The like-for-like figures have been prepared excluding the acquisition of the Closurelogic business, net of GCL Pharma figures sold in April 2020.*

(2) *With reference to alternative performance indicators, such as adjusted gross operating profit (Adjusted EBITDA) and H1 2021 sales at constant exchange rates, see the paragraph 'Alternative performance indicators and methodology underlying revenue and adjusted gross operating profit bridges" of this report.*

(3) *Net financial indebtedness consists of financial liabilities minus cash and cash equivalents, as well as financial assets. The comparative figures as at June 30, 2020 have been restated to be consistent with the classification used as at June 30, 2021.*

The main economic and financial indicators of the Group in the first half 2021 show a positive trend with revenue at constant exchange rates up 13.2% compared to the first half 2020 and an Adjusted EBITDA margin of 17.7% at constant exchange rates and constant perimeter, a marked improvement compared to the 16.2% of the previous year.

Net financial indebtedness at June 30, 2021 (€477.6 million) is higher than the value at December 31, 2020 (€464.2 million) mainly due to the increase in net working capital for business seasonality, but it is lower than the value at the end of June 2020 (€484.6 million).

Revenue growth was driven by the higher sales volumes/mix in the Americas (spirits and wine markets), by the Asian, European and Africa market recovery.

The increase in adjusted gross operating profit (adjusted EBITDA) in the first half 2021 compared to the first half 2020 was achieved thanks to the positive impact from sales volume/mix, selling price increase and other mix and cost variance, partially compensated by the negative impacts from the increase in raw material costs.

In the first half 2021, net financial indebtedness increased by €13.3 million from €464.2 million at December 31, 2020 to €477.6 million at June 30, 2021. Such variance is €8.7 million lower than the increase recorded in the first half 2020 (€ 22.1 million) thanks to higher operating cash flows (€3.4 million) and lower cash flows used for investing activities (€5.4 million).

Key events of the period

The key events which affected the Guala Closures Group during the first half 2021 are summarised below:

MERGERS & ACQUISITIONS:

Subscription of SharpEnd Partnership Ltd. capital

On February 26, 2021, the Luxembourg subsidiary GCL International S.à.r.l. subscribed a capital increase of the associate SharpEnd Partnership Ltd. for the equivalent of GBP 1.4 million (€1.6 million) increasing the group's investment to 30% of the associate's fully diluted capital (including the option for the issue of stock options).

STOCK EXCHANGE:

Special Packaging Solutions Investments S.à r.l. public tender offer and share delisting and market warrant

Following the purchase of ordinary shares and market warrants carried out by Special Packaging Solutions Investments S.à r.l. ("**SPSI**") on December 8, 2020 and March 25, 2021 - as well as following the purchases of ordinary shares made by SPSI (both on and off the market) between December 8, 2020 and March 25, 2021 - SPSI holds 33,493,940 Guala Closures ordinary shares (equal to 47.8% of the share capital). Therefore, as better described in the press release issued pursuant to art. 102 of the Consolidated Finance Act ("TUF") from SPSI on March 25, 2021, SPSI promoted:

- a mandatory tender offer (the "**Mandatory Offer**") out of a maximum of 36,534,714 ordinary shares of Guala Closures, representing approximately 52.2% of the share capital of Guala Closures, with a consideration of Euro 8.20 per ordinary share; and
- a voluntary tender offer (the "**Voluntary Offer**", in conjunction with the Mandatory Offer together, the "**Offers**") on a maximum of 12,598,053 market warrants issued by Guala Closures, equal to approximately 65.0% of the market warrants issued by Guala Closures, for consideration Euro 0.30 per market warrant.

Following the publication – on May 8, 2021 – of the offer document relating to the Offers (the "**Offer Document**"), as well as the dissemination of the issuer's press release approved by the Board of Directors of Guala Closures on May 17, 2021, on May 18, 2021, the period of adhesion to the Offers began, a period that ended on June 7, 2021.

At the end of the period of participation in the Offers, SPSI held a total of: (i) 66,478,903 Guala Closures ordinary shares, equal to approximately 94.9% of the share capital of Guala Closures and (ii) 16,809,156 market warrants, equal to approximately 86.8% of the market warrants issued by Guala Closures. In light of the results of the Mandatory Offer, on June 11, 2021 SPSI communicated to the market the occurrence of the legal conditions for the promotion by SPSI of a sell-out procedure pursuant to art. 108, paragraph 2, of the TUF, i.e. a procedure by which any shareholder of Guala Closures who had requested it could have sold its ordinary shares to SPSI for the same consideration as the Mandatory Offer (i.e. Euro 8.20 per ordinary share). As a result of the sell-out procedure as of July 13, 2021, SPSI held 69,241,588 Guala Closures ordinary shares (equal to 98.88% of the share capital of Guala Closures). Having therefore achieved a stake in the share capital of Guala Closures equal to at least 95%, the legal conditions existed for the exercise by SPSI of the right to purchase pursuant to art. 111 of the TUF with reference to all the ordinary shares still outstanding (the squeeze-out procedure).

Conversion of special class C shares into ordinary shares

As provided for in the parent's by-laws and in accordance with the commitments, all the 812,500 class C shares, which do not have voting rights, have been converted into 3,656,250 ordinary shares at a ratio of one class C share to 4.5 ordinary shares.

Following the application dated March 29, 2021, the stockbrokers confirmed the cancellation of the class C shares from the MTX platform on April 6, 2021 (necessary to be able to issue the related ordinary shares for the conversion). On April 7, 2021, the ordinary shares were placed on the MTX platform. The parent filed the related information with the company registrar and Consob as well as making it available to the market on April 12, 2021.

As a result of this conversion, the parent's subscribed and paid-in share capital is unchanged at €68,907 thousand, consisting of 70,028,654 shares, of which 65,706,216 ordinary shares and 4,322,438 class B multiple-vote shares.

Conversion of class B shares into ordinary shares

As provided for in the parent's by-laws, all the 4,322,438 class B multiple-vote shares have been converted into 4,322,438 ordinary shares.
Following the application dated June 1, 2021, the stockbrokers confirmed the cancellation of the class B shares from the MTX platform on June 1, 2021.
As a result of this conversion, the parent's subscribed and paid-in share capital is unchanged at €68,907 thousand, consisting of 70,028,654 ordinary shares.

BUSINESS:

Reorganisation of Guala Closures Australia

On March 29, 2021, Guala Closures Australia informed its employees that it intends to reorganise its business to align its costs with the changed market conditions that have had an adverse effect on its sales volumes. This trend was caused by the slowdown in the domestic wine market, the steady increase in exports of bulk wine and the more recent reduction in exports of wine to China. These latter factors have curtailed demand leading to a glut in supply with the follow-on effects of greater competition and the related pressure on sales prices.
At the date of this report, the ongoing reorganisation includes the elimination of some positions, which has been agreed with the trade unions. This project's estimated cost is approximately €0.3 million, which has been provided for at June 30, 2021.

Collection of the second instalment of the consideration for the sale of GCL Pharma S.r.l.

After the sale of 100% of GCL Pharma S.r.l. finalised on April 15, 2020, the group collected the second and last instalment of €2.0 million of the agreed consideration of €9.3 million on April 16, 2021.

Approval of the 2020 annual report

In their ordinary meeting of April 30, 2021, the shareholders approved the 2020 separate financial statements and the allocation of the profit for the year to the reserves. They also appointed new directors and statutory auditors who will remain in office until the shareholders' meeting called to approve the separate financial statements as at and for the year ending December 31, 2023.

Reorganisation of Guala Closures Turkey

On May 31, 2021, the production plant in Turkey was closed and a commercial office was opened in Ankara on June 5, 2021. The related decommissioning costs were entirely provided for in 2020.

Reorganisation of GCL International S.à r.l.

On May 10, 2021, GCL International S.à r.l. informed its employees that it intends to reorganize its administrative office, keeping only its Research and Development center located in Foetz (Luxembourg). At the date of this report, the ongoing reorganization includes the transfer of some people to other locations. This project's estimated cost is approximately €0.8 million, which has been provided for at June 30, 2021.

Termination agreement signed with the Group CFO

On June 18, 2021, Mr. Anibal Diaz Diaz, signed an agreement with the Group based on which he will leave his position as Chief Financial Officer and manager in charge of financial reporting on December 31, 2021, maintaining his roles and responsibilities until December 31, 2021.

Refinancing

On July 20, 2018, the parent entered into a revolving credit facility agreement (the "**Existing RCF**") governed by the laws of England and Wales with UniCredit Bank AG, Milan Branch, as agent, and Credit Suisse International, Banco BPM S.p.A., Barclays Bank PLC, Intesa Sanpaolo S.p.A. and Unicredit S.p.A. as lenders, for up to €80 million at 3M EURIBOR/GBP LIBOR + 2.5% (zero floor). The Existing RCF will expire on February 28, 2024.

On October 3, 2018, Guala Closures issued senior secured notes due 2024 (the "**2024 Notes**") for an aggregate principal amount of €455.0 million at a floating rate (3M EURIBOR + 3.5% - zero floor), under a New York law-governed indenture among, *inter alia*, Guala Closures, as issuer, The Law Debenture Trust Corporation p.l.c., as senior secured notes trustee and Bondholder's representative pursuant to articles 2417 and 2418 of the Italian Civil Code, Deutsche Bank AG, London Branch, as paying agent, and Deutsche Bank Luxembourg S.A., as transfer agent and registrar (the "**2024 Notes Indenture**").

The Existing RCF and the 2024 Notes Indenture contain change of control clauses. The change of control under the Existing RCF is triggered when a person, other than certain specified persons under the Existing RCF, controls more than 35% of the voting stock of Guala Closures. The 2024 Notes Indenture contains a similar provision with the relevant threshold being more than 50% of the voting stock of Guala Closures.

In connection with the offers, in order to ensure the certainty of funds available to Special Packaging Solutions Investments S.à r.l. ("**SPSI**") and/or Guala Closures sufficient to permit Guala Closures to redeem the 2024 Notes and replace its Existing RCF upon occurrence of a change of control (under the 2024 Notes Indenture and/or the Existing RCF as applicable), SPSI received debt financing commitments pursuant to a commitment letter that it entered into with a consortium of international investment banks under which such banks undertook to arrange and underwrite: (i) an €80 million (equivalent) multi-currency revolving credit facility (the "**New RCF**"), and (ii) an up to €475,000,000 bridge facility (the "**SPSI Bridge Facility**").

The finalisation, in March 2021, of certain joint investment agreements, as described in the press release issued by SPSI on December 8, 2020, caused the occurrence of a change of control under the Existing RCF. Lenders representing €67 million of commitments thereunder agreed to waive their rights to request the full repayment of outstanding amounts and cancel their commitments thereunder that were triggered by the change of control. On April 26, 2021, Guala Closures cancelled €13 million of commitments under the Existing RCF and repaid €2.7 million of outstanding amounts thereunder that were owed to lenders that did not waive their right to request the repayment of outstanding amounts thereunder.

As a result of the offers, the results of which were announced by SPSI on June 7, 2021, the change of control provision in the indenture governing the 2024 Notes was triggered, which required Guala Closures to either make an offer, in accordance with the requirements thereunder, to holders of the 2024 Notes to repurchase any or all of their 2024 Notes at a purchase price in cash equal to 101% of the principal amount of such 2024 Notes plus accrued and unpaid interest and additional amounts, if any, or redeem all of the outstanding 2024 Notes at par prior to the date on which Guala Closures was required to make such an offer. The SPSI Bridge Facility was available to fund such redemption, if required.

On June 24, 2021, Guala Closures issued a notice of redemption for the 2024 Notes to be redeemed on July 7, 2021, subject to the closing of its new senior secured financing arrangements and the receipt by the paying agent under the 2024 Notes Indenture of sufficient funds to redeem the 2024 Notes.

On June 28, 2021, Guala Closures entered into the New RCF governed by English law (with information undertakings, restrictive covenants, events of default and related definitions interpreted in accordance with New York law) with 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 New RCF is available in an amount up to €80.0 million, with an interest rate applicable to drawn amounts equal to EURIBOR (for loans in euro), SONIA (for loans in pounds sterling) and LIBOR (for loans in any other currency) (subject, in each case, to a floor of zero) + 2.5%, which, in each case, will be subject to a decreasing leverage-based margin ratchet as set out in the New RCF. The New RCF will expire January 7, 2028.

An exceptional financial expense of €3.8 million due to transaction costs was booked in June 2021 as a consequence of the issue of the notice of redemption for the 2024 Notes and Existing RCF.

The 2024 Notes and amounts outstanding under the Existing RCF were subsequently redeemed and/or repaid, and the Existing RCF was cancelled, in each case, on July 7, 2021 following the issuance of €500 million in aggregate principal amount of Guala Closures' 3¼% Senior Secured Notes due 2028 (the "Notes"). For additional information, reference should be made to note 32) Events after the reporting period.

Financial performance

ANALYSIS OF THE FINANCIAL PERFORMANCE

The table below summarises the financial performance of the Guala Closures Group for the first half 2020 and 2021. It should be noted that for the purposes of comparing the results between the two periods, it must be considered that the results relating to the first half 2020 do not fully include the effect of the consolidation of Closurelogic's business (as Closurelogic's activities in Germany were acquired in February 2020 and those in Turkey in September 2020), while they include the results of the Italian company GCL Pharma for the first quarter 2020, which was sold in the second quarter 2020.

Statement of profit or loss	**H1 2020 restated**		**H1 2021**	
	(€'000)	***% of net revenue***	***(€'000)***	***% of net revenue***
Net revenue	**272,293**	***100.0%***	**297,176**	***100.0%***
Change in finished goods and semi-finished products	16,414	*6.0%*	8,607	*2.9%*
Other operating income	1,839	*0.7%*	3,573	*1.2%*
Internal work capitalised	1,826	*0.7%*	2,273	*0.8%*
Costs for raw materials	(124,505)	*(45.7%)*	(132,551)	*(44.6%)*
Costs for services	(56,000)	*(20.6%)*	(57,618)	*(19.4%)*
Personnel expense	(64,628)	*(23.7%)*	(68,261)	*(23.0%)*
Other operating expense	(4,609)	*(1.7%)*	(4,571)	*(1.5%)*
Impairment losses	(0)	*(0.0%)*	(174)	*(0.1%)*
Gains on sales of equity investments	2,830	*1.0%*	-	-
Gross operating profit (EBITDA)	**45,458**	***16.7%***	**48,453**	***16.3%***
Amortisation and depreciation	(31,900)	*(11.7%)*	(31,693)	*(10.7%)*
Operating profit (EBIT)	**13,558**	***5.0%***	**16,760**	***5.6%***
Financial income	10,315	*3.8%*	10,464	*3.5%*
Financial expense	(29,650)	*(10.9%)*	(22,515)	*(7.6%)*
Net financial expense	**(19,334)**	***(7.1%)***	**(12,051)**	***(4.1%)***
Profit (loss) before taxation	**(5,776)**	***(2.1%)***	**4,708**	***1.6%***
Income taxes	(1,727)	*(0.6%)*	(3,065)	*(1.0%)*
Profit (loss) for the period	**(7,504)**	***(2.8%)***	**1,643**	***0.6%***
Attributable to:				
- the owners of the parent	(11,240)	*(4.1%)*	(2,337)	*(0.8%)*
- non-controlling interests	3,736	*1.4%*	3,980	*1.3%*
Adjusted gross operating profit (Adjusted EBITDA)	**44,220**	***16.2%***	**50,812**	***17.1%***

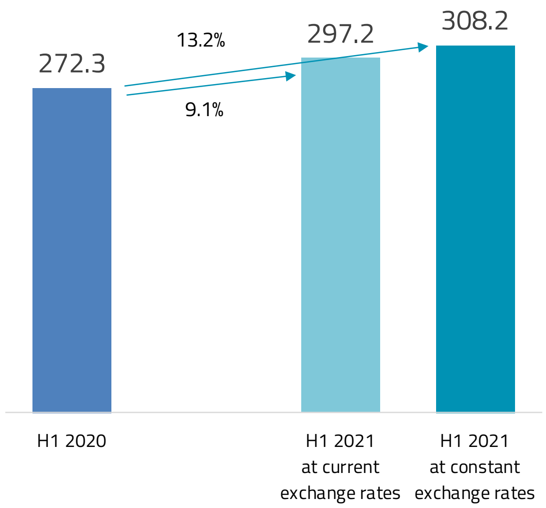
Note:

- *Please refer to the paragraph 'Alternative performance indicators and methodology underlying revenues and adjusted gross operating profit bridges' for the calculation of the adjusted gross operating profit (Adjusted EBITDA) and for the details of the construction of the revenue and adjusted EBITDA bridges.*
- *The figures for H1 2020 have been restated to incorporate the effects of the PPA for Guala Closures Deutschland GmbH.*

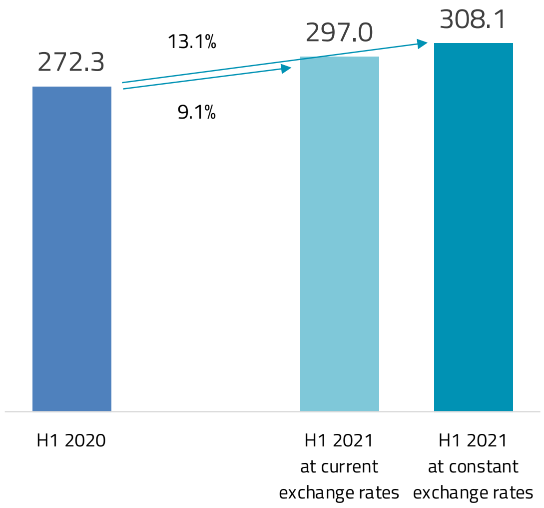
NET REVENUE

The following charts illustrate the trend in net revenue in the first half 2021 compared to the corresponding period of 2020.

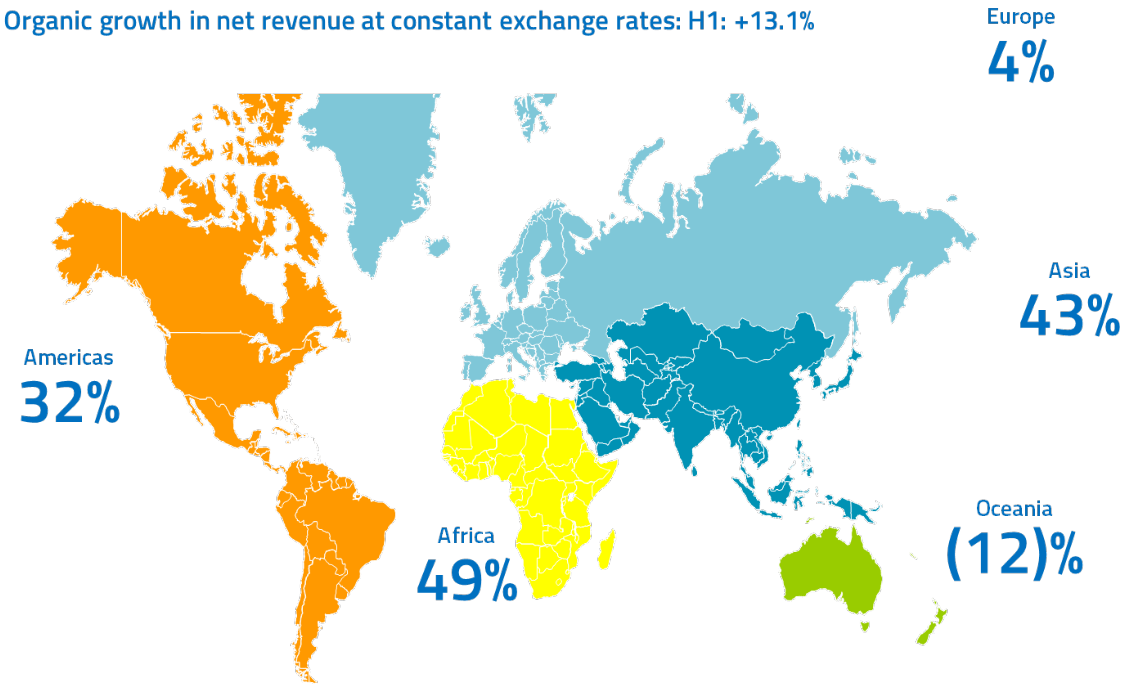
REPORTED FIGURES



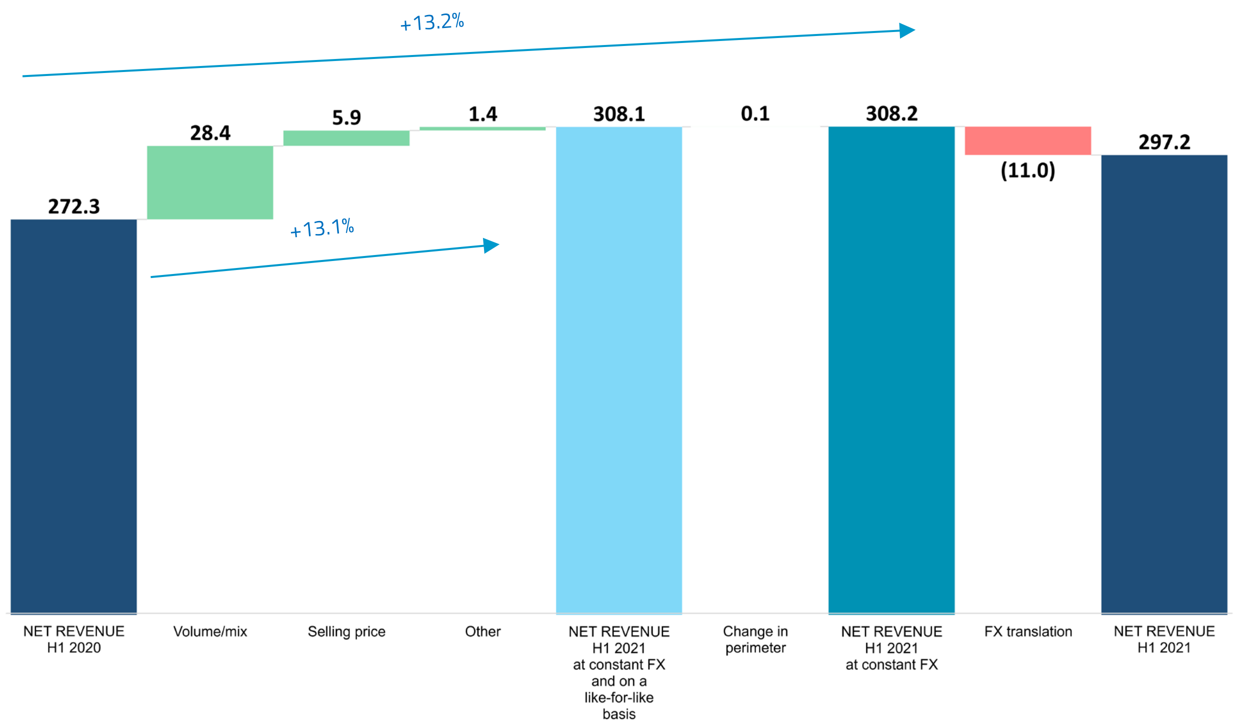
RESTATED ON A LIKE-FOR-LIKE BASIS



In the first half 2021, net revenue totalled €297.2 million, up €24.9 million (+9.1%) on the first half 2020 at current exchange rates and up €35.9 million (+13.2%) at constant exchange rates.
The negative translation impact on revenue for the first half 2021 was €11.0 million following the appreciation of the Euro against almost all currencies with which the group operates.
The contribution to net revenue coming from the change in the consolidation scope compared to the first half 2020 is immaterial as the consolidation of Closurelogic's business has been compensated by the disposal og GCL Pharma.



The graph below shows the composition of the difference between net revenue for the first half 2020 and 2021:



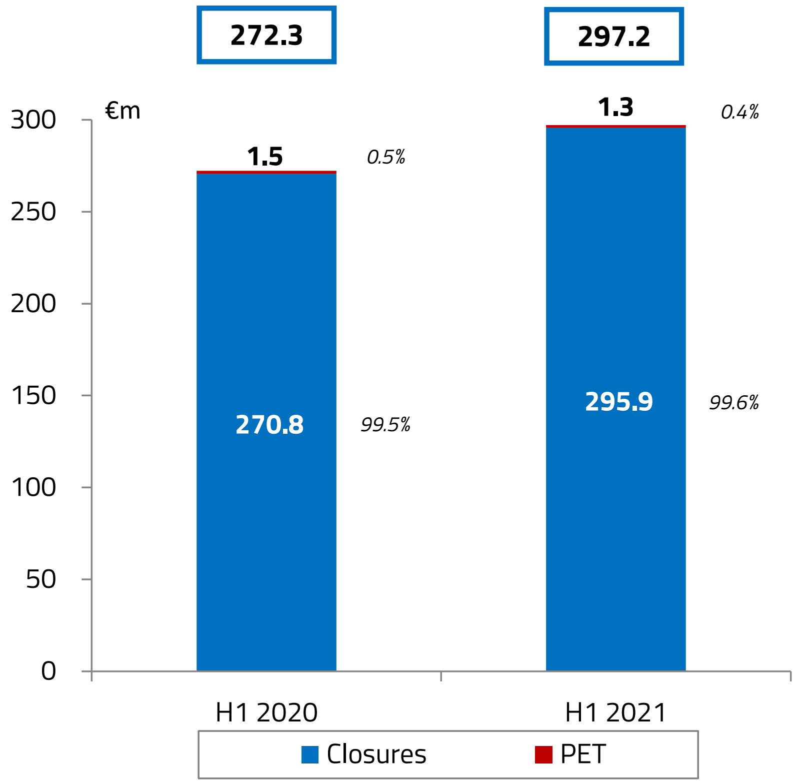
The Group reported an increase in volumes/mix of €28.4 million in the first half of 2021 and a benefit of €5.9 million deriving from the price increase policy.

Net revenue increased in almost all the regions in which the Group operates. In particular, the increase in sales volume/mix is driven by the development of Americas, both in spirits and wine segment, and the business recovery in Asia, Europe and Africa compared to the first half 2020 strongly impacted by the lock-down imposed by local governments due to Covid-19 pandemic.

In Europe, the water & beverage sector is still affected by the consequences of the Covid-19 pandemic which has mainly impacted the Group activities in Italy, Spain, Germany and Poland.

NET REVENUE BY DIVISION

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



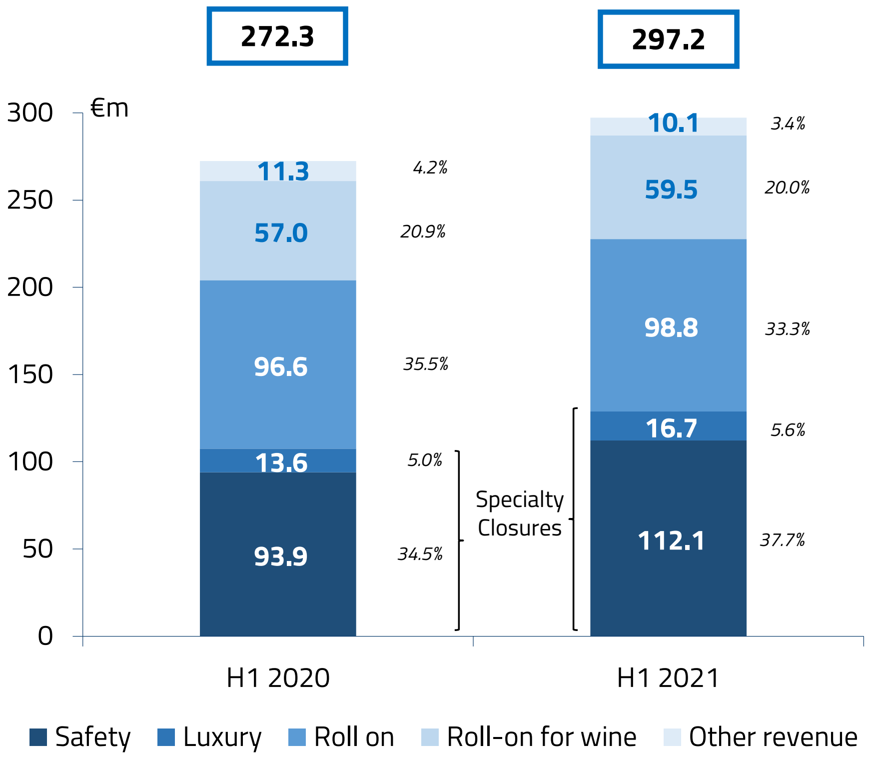
As the group's core business, the "Closures" division accounts for over 99% of net revenue in the first half 2021. It is specialised in the production of safety closures, customised luxury closures, roll-on closures for wine, roll-on closures and other revenue.

The net revenue of the Closures division increased by €25.1 million (+9.3%) from €270.8 million in the first half 2020 to €295.9 million in the same period of 2021.

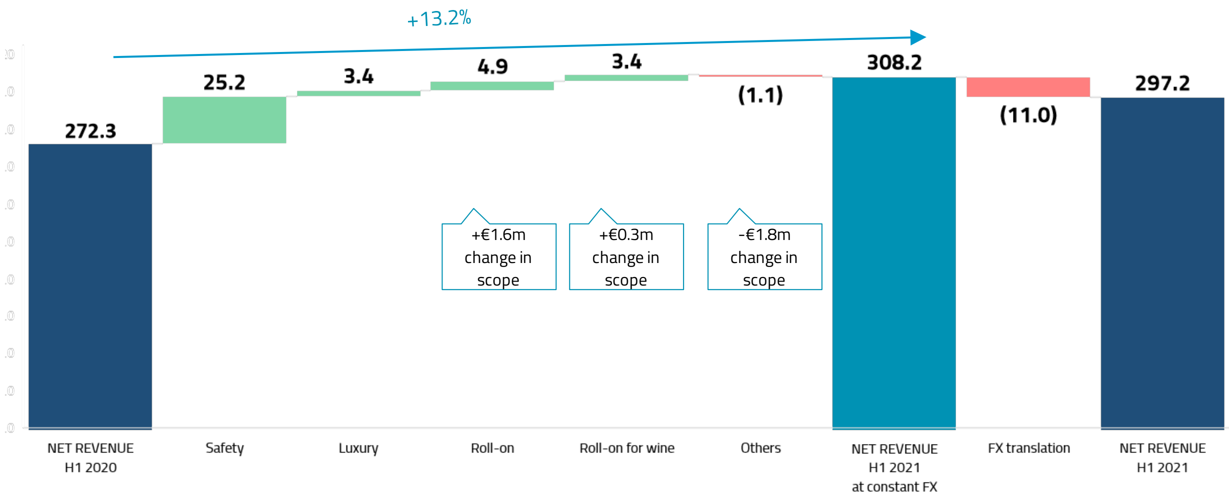
The "PET" division, active in the production of PET bottles and miniatures, is no longer considered a core business for the group. As the PET division is not considered significant in size, it is not analysed in this report.

NET REVENUE BY PRODUCT

The following graphs and the table give a breakdown of changes in net revenue by product:



***Source**: Internal data*



(€m)		H1 2020	H1 2021	diff.		% variation	
				Current exchange rates	Constant exchange rates	Current exchange rates	Constant exchange rates
Safety	Specialty Closures	93.9	112.1	18.3	25.2	19.5%	26.9%
Luxury		13.6	16.7	3.1	3.4	22.7%	25.4%
Roll on		96.6	98.8	2.3	4.9	2.3%	5.0%
Roll-on for wine		57.0	59.5	2.5	3.4	4.5%	6.1%
Other revenue		11.3	10.1	(1.3)	(1.1)	(11.2%)	(9.4%)
Total net revenue		**272.3**	**297.2**	**24.9**	**35.9**	**9.1%**	**13.2%**

Revenue from **safety** closures increased by €18.3 million from €93.9 million in the first half 2020 (34.5% of net revenue) to €112.1 million in the first half 2021 (37.7%), despite the negative translation impact of €6.9 million.
At constant exchange rates, net revenue would have increased by €25.2 million or 26.9% compared to the first half 2020, mainly as a consequence of the heavy impact in the first half 2020 of the Covid-19 pandemic.

Revenue from **luxury** closures increased by €3.1 million from €13.6 million in the first half 2020 (5.0% of net revenue) to €16.7 million in the first half 2021 (5.6%), despite the negative translation impact of €0.4 million.
At constant exchange rates, net revenue would have increased by €3.4 million, or 25.4%, compared to the first half 2020, confirming the trend of higher request for this type of closures mainly in the Mexican market.

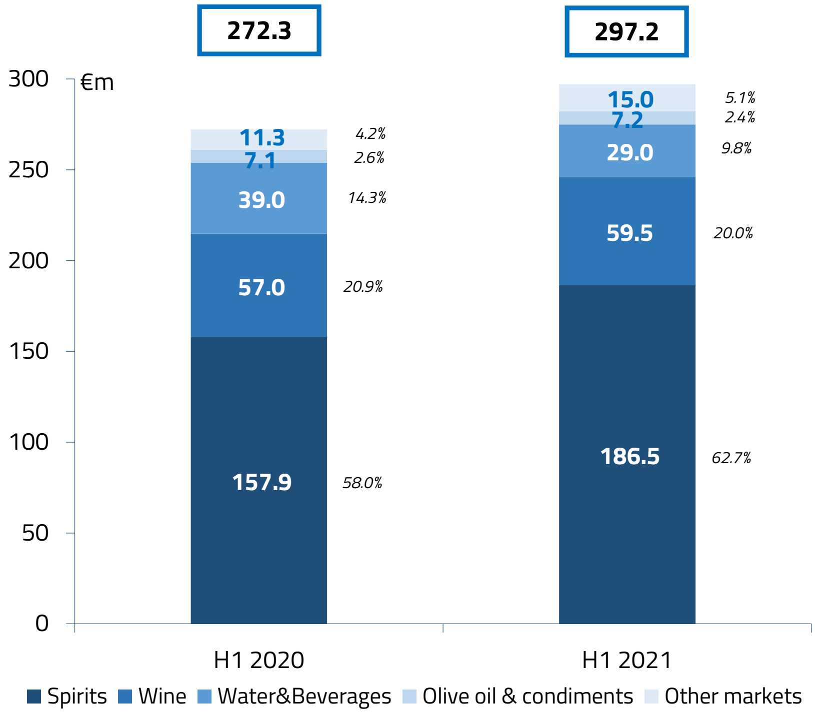
Revenue from **roll-on** closures increased by €2.3 million from €96.6 million in the first half 2020 (35.5% of net revenue) to €98.8 million in the first half 2021 (33.3%), despite the negative translation impact of €2.6 million.
At constant exchange rates, net revenue would have increased by €4.9 million or 5.0% compared to the first half 2020 mainly due to the fact that first half 2020 was significantly penalized by the consequences of the Covid-19 despite the negative performance in the water & beverages market still affected by the shutdown of commercial activities.

Revenue from **roll-on closures for wine** increased by €2.5 million from €57.0 million in the first half 2020 (20.9% of net revenue) to €59.5 million in the first half 2021 (20.0%), despite the negative translation impact of €0.9 million.
At constant exchange rates, net revenue would have increased by €3.4 million, or 6.1%, compared to the first half 2020 due to the general recovery of the business in all the markets in which the Group operates.

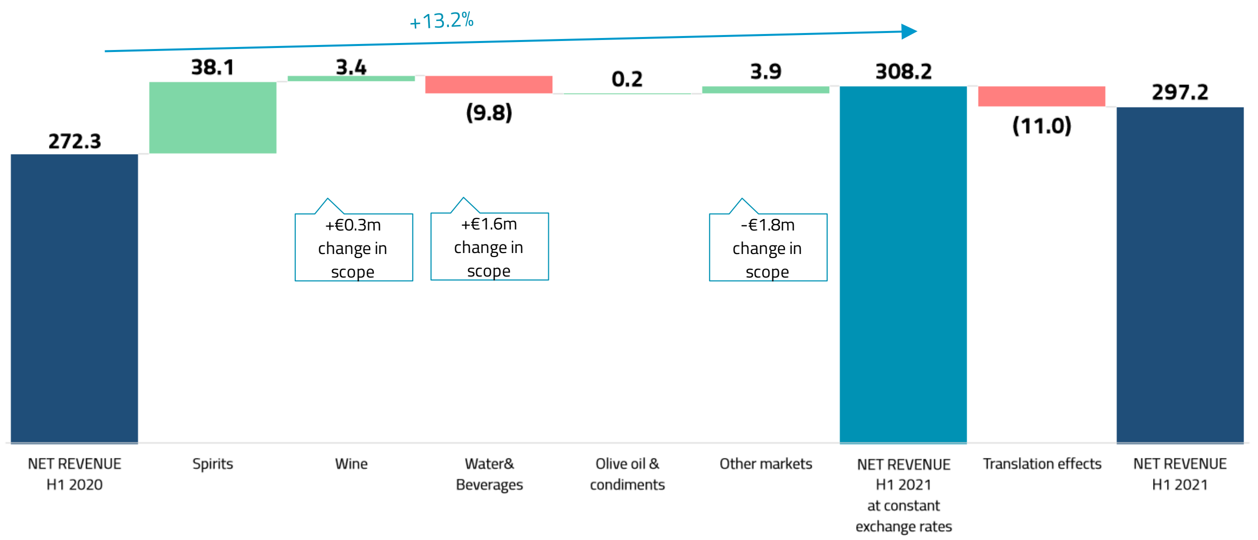
Other revenue decreased by €1.3 million from €11.3 million in the first half 2020 (4.2% of net revenue) to €10.1 million in the first half 2021 (3.4%), with a negative translation impact of €0.2 million.
At constant exchange rates, other revenue would have decreased by € 1.1 million.
The item includes net revenue realized with the pharmaceutical sector, PET and other revenue not included in the previous categories. The reduction is mainly due to the sale of GCL Pharma in April 2020.

NET REVENUE BY DESTINATION MARKET

The chart and table below indicate the trend in revenue by destination market:



***Source**: Internal data*



(€m)	H1 2020	H1 2021	diff.		% variation	
			Current exchange rates	Constant exchange rates	Current exchange rates	Constant exchange rates
Spirits	157.9	186.5	28.5	38.1	18.1%	24.1%
Wine	57.0	59.5	2.5	3.4	4.5%	6.1%
Water & beverages	39.0	29.0	(10.0)	(9.8)	(25.7%)	(25.1%)
Olive oil & condiments	7.1	7.2	0.1	0.2	2.0%	2.7%
Other revenue	11.3	15.0	3.7	3.9	32.7%	34.9%
Total net revenue	**272.3**	**297.2**	**24.9**	**35.9**	**9.1%**	**13.2%**

Net revenue related to the **spirits market** increased by €28.5 million from €157.9 million in the first half 2020 (58.0% of net revenue) to €186.5 million in the first half 2021 (62.7%), despite a negative translation impact of €9.6 million. At constant exchange rates, the net revenue of this segment would have increased by €38.1 million (24.1%) compared to the same period of 2020 thanks to the business recovery in 2021.

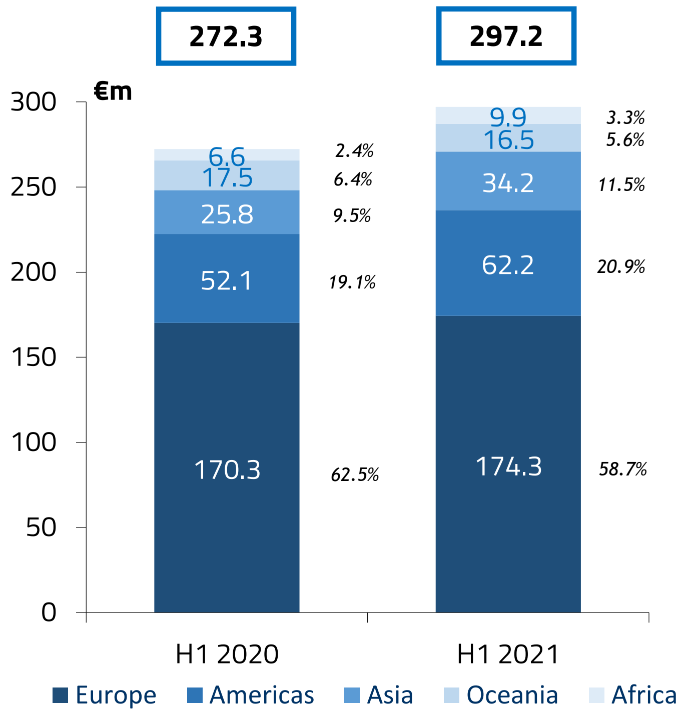
The **wine market** is the group's second largest destination market and generated 20.0% of net revenue in the first half 2021.

Revenue from the sale of wine closures rose €2.5 million from €57.0 million in the first half 2020 (20.9% of net revenue) to €59.5 million in the first half 2021 (20.0%), despite a negative translation impact of €0.9 million.
At constant exchange rates, net revenue would have increased by €3.4 million, or 6.1%, on the first half 2020 due to the general recovery of the business in all the markets in which the Group operates

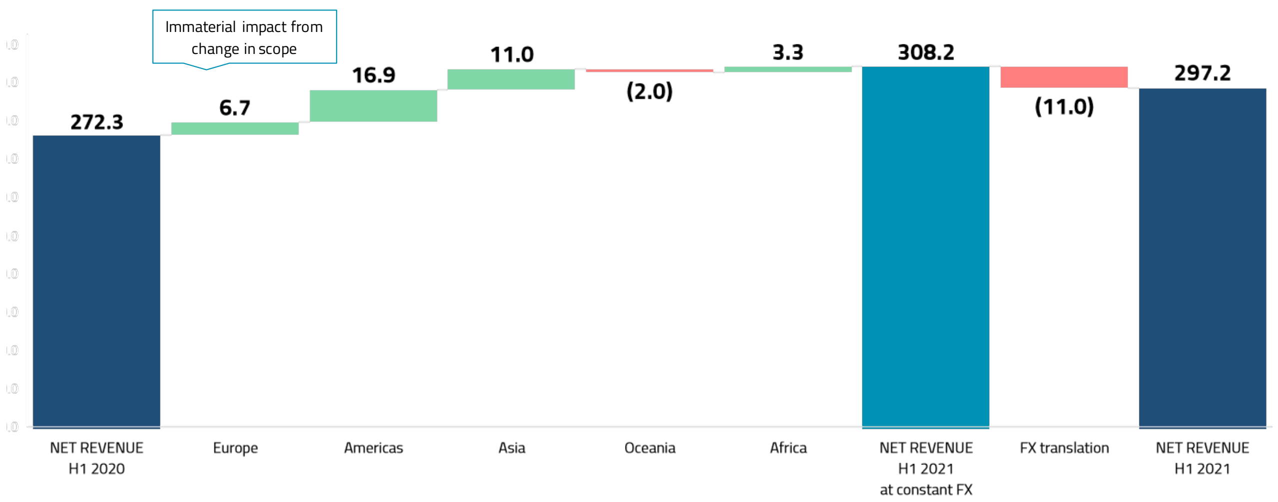
The **water & beverages market** decreased by €10.0 million from €39.0 million in the first half 2020 (14.3% of net revenue) to €29.0 million in the first half 2021 (9.8%), with a negative translation impact of €0.3 million. At constant exchange rates, this segment's net revenue would have decreased by €9.8 million (-25.1%) compared to the first half 2020. This market is the most affected by the shutdown of commercial activities caused by the Covid-19 pandemic.

NET REVENUE BY GEOGRAPHICAL SEGMENT

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



The chart and table below indicate the trend in revenue by geographical segment:



(€m)	H1 2020	H1 2021	diff.		% variation	
			Current exchange rates	Constant exchange rates	Current exchange rates	Constant exchange rates
Europa	170.3	174.3	4.1	6.7	2.4%	4.0%
Americas	52.1	62.2	10.1	16.9	19.4%	32.5%
Asia	25.8	34.2	8.4	11.0	32.6%	42.6%
Oceania	17.5	16.5	(1.0)	(2.0)	(5.8%)	(11.5%)
Africa	6.6	9.9	3.3	3.3	49.9%	49.2%
Total net revenue	**272.3**	**297.2**	**24.9**	**35.9**	**9.1%**	**13.2%**

Net revenue from operations in Europe increased by €4.1 million from €170.3 million in the first half 2020 (62.5% of net revenue) to €174.3 million in the first half 2021 (58.7%), with a negative translation impact of €2.7 million. At constant exchange rates, the net revenues of this area would have increased by €6.7 million (+4.0%) compared to the first half 2020 mainly driven by the increase in Italy, UK and Poland.

Net revenue from operations in the Americas increased by €10.1 million from €52.1 million in the first half 2020 to €62.2 million in the same period of 2021 (19.1% and 20.9% of net revenue, respectively), despite the negative translation impact of €6.8 million recorded mainly in Argentina, the USA and Brazil.
At constant exchange rates, the net revenue of this region would have increased by €16.9 million (+32.5%) compared to the first half 2020 mainly driven by the increase in USA, Argentina and Mexico.

Net revenue from operations in Asia went from €25.8 million in the first half 2020 (9.5% of net revenue) to €34.2 million in the first half 2021 (11.5%), an increase of €8.4 million, despite the negative translation impact of €2.6 million.
At constant exchange rates, this region's net revenue would have increased by €11.0 million (+42.6%) compared to the first half 2020 mainly driven by the increase in India which was heavily impacted from the lockdown in Q2 2020. Net revenue also increased in China compared to the first half 2020.

Net revenue from operations in Oceania decreased by €1.0 million from €17.5 million in the first half 2020 (6.4% of net revenue) to €16.5 million in the first half 2021 (5.6%), with a positive translation impact of €1.0 million. At constant exchange rates, the net revenue of this region would have decreased by €2.0 million (-11.5%) compared to the same period of 2020 due to the drop in volumes in Australia after the slow-down of the domestic wine market, the steady increase in exports of bulk wine and the more recent reduction in wine exports to China.

Net revenue from operations in Africa increased by €3.3 million from €6.6 million in the first half 2020 (2.4% of net revenue) to €9.9 million in the first half 2021 (3.3%), with an immaterial impact of translation, driven by the increase in South Africa which was heavily impacted from the lockdown in Q2 2020.

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

OTHER OPERATING INCOME

Other operating income increased by €1.8 million, from €1.8 million in the first half of 2020 (0.7% of net revenue) to €3.6 million in the first half of 2021 (1.2%), mainly due to the increases for insurance refunds and government grants.

INTERNAL WORK CAPITALISED

This caption increased by €0.5 million from €1.8 million in the first half of 2020 (0.7% of net revenue) to €2.3 million in the first half of 2021 (0.8%). Internal work capitalised includes capitalised development expenditure and internal personnel expense for extraordinary maintenance on property, plant and equipment.

COSTS FOR RAW MATERIALS

Costs for raw materials increased by €8.1 million from €124.5 million in the first half of 2020 (45.7% of net revenue) to €132.6 million in the first half of 2021 (44.6%), decreasing their incidence on net revenue despite the upwards trend in the cost of strategic raw materials (plastic and aluminium). The increase in aluminium costs was mitigated in the first half of 2021 by the positive contribution of hedges entered into in 2020.

COSTS FOR SERVICES

Costs for services increased by €1.6 million from €56.0 million in the first half of 2020 (20.6% of net revenue) to €57.6 million in the first half of 2021 (19.4%). Compared to the corresponding period of the previous year, energy costs increased due to higher production volumes during the first half 2021 compared to the first half 2020 penalised by the Covid-19 pandemic.

PERSONNEL EXPENSE

Personnel expense increased by €3.7 million from €64.6 million in the first half of 2020 (23.7% of net revenue) to €68.3 million in 2021 (23.0%), due to higher activities during the first half 2021 compared to the first half 2020 penalised by the Covid-19 pandemic.

OTHER OPERATING EXPENSE

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

(€'000)	**H1 2020**	**H1 2021**	**diff.**
Accruals to provisions	1,039	1,641	602
Taxes and duties	972	899	(73)
Use of third-party assets	913	904	(9)
Impairment losses on trade receivables and contract assets	444	43	(401)
Other charges	1,241	1,084	(157)
Total	**4,609**	**4,571**	**(38)**

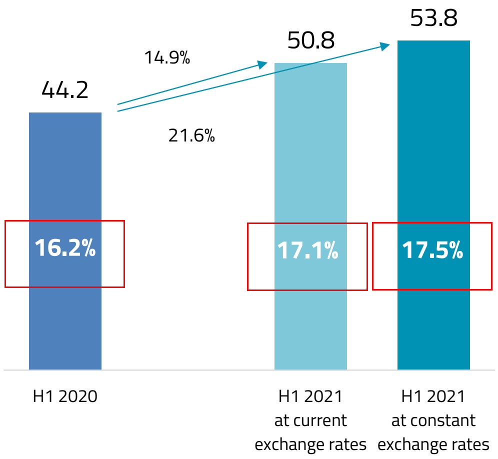
Other operating expense is unchanged at €4.6 million both in the first half 2020 (1.7% of net revenue) and in the first half 2021 (1.5% of net revenue).

The accruals to provisions mostly relate to the provision for company reorganizations.

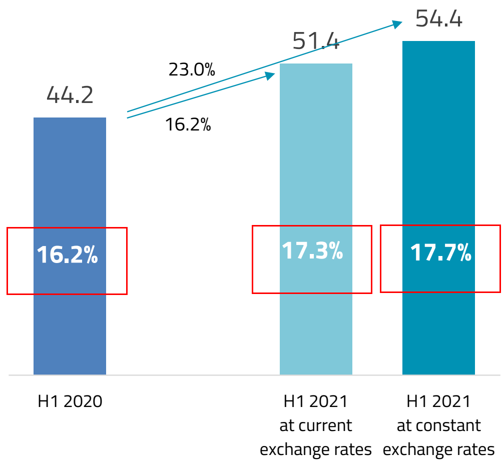
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)

In the first half 2021, the adjusted gross operating profit (adjusted EBITDA) amounts to €50.8 million, up €6.6 million (+14.9%) on the first half 2020 (€44.2 million), despite the €3.0 million decrease due to the negative translation impact following the appreciation of the Euro against almost all currencies with which the group operates.
At constant exchange rates, the adjusted EBITDA would have been €53.8 million, up by €9.6 million (+21.6%) compared to the first half 2020.
The following charts show the trend in the adjusted EBITDA for the first half of 2021 compared to the corresponding period of 2020. The figures restated on a like-for-like basis exclude €0.6 million as negative net effect of the change in perimeter.

REPORTED FIGURES



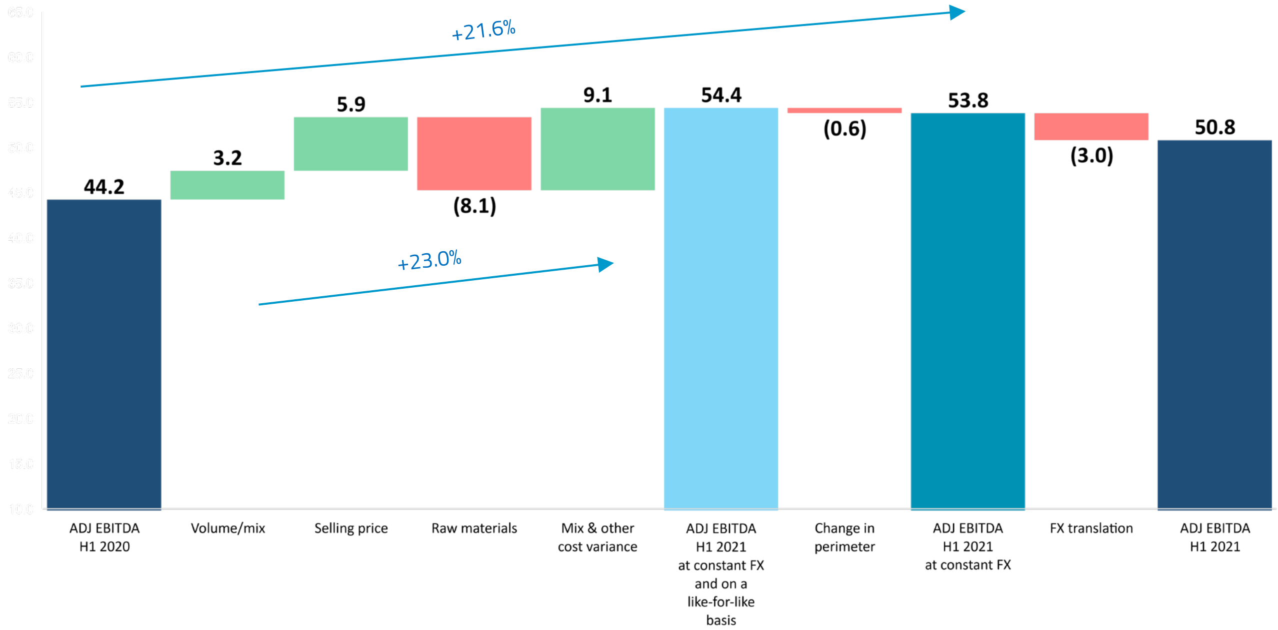
RESTATED ON A LIKE-FOR-LIKE BASIS



Note: *The percentages shown in the boxes indicate the adjusted EBITDA as a percentage of revenue.*

The adjusted EBITDA margin increased from 16.2% in the first half 2020 to 17.1% in the first half 2021. On a like-for-like basis and at constant exchange rates the adjusted EBITDA margin in the first half 2021 would have been 17.7%.

The graph below shows the difference between adjusted EBITDA in the first half 2020 and 2021.



The increase in adjusted EBITDA in the first half 2021 compared to the first half 2020 was equal to 21.6% at constant exchange rates and 23.0% at constant exchange rates and on a like-for-like basis.
The positive impacts deriving from the sales volume/mix (€3.2 million), the increase in sales prices (€5.9 million) and in mix and other cost variance (€9.1 million) due to plant efficiencies were partially offset by the increase in raw material costs (-€8.1 million).

The net effect of the change in perimeter is negative for 0.6 million.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation decreased by €0.2 million from €31.9 million in the first half 2020 (11.7% of net revenue) to €31.7 million in the same period of 2021 (10.7%).

FINANCIAL INCOME AND EXPENSE

The following table breaks down financial income and expense by nature for the two periods:

(€'000)	H1 2020	H1 2021	diff.
Net interest expense	(10,142)	(9,853)	289
Net exchange losses	(7,068)	(1,217)	5,850
Net fair value gains (losses) on market warrants	(1,743)	5,673	7,416
Net fair value gains on currency derivatives	335	0	(335)
Net fair value gains (losses) on non-controlling investors' put options	94	(2,658)	(2,752)
Financial expense for refinancing	-	(3,771)	(3,771)
Other net financial expense	(811)	(225)	585
Net financial expense	**(19,334)**	**(12,051)**	**7,283**

Net financial expense decreased by €7.3 million, from €19.3 million in the first half 2020 to €12.1 million in the first half 2021.

The €7.3 million reduction in net financial expense is mainly due to €7.4 million positive effect from the change in FV of Market Warrants, to €5.9 million reduction in net exchange rate losses and to lower net interests expense for €0.3 million, partially offset by the extraordinary financial expense for refinancing (€3.7 million) and by the negative effects from the change in minorities put option (€2.8 million).
The extraordinary financial expense for refinancing refers to the pro-rata unamortised transaction costs reversal as a consequence of the Group's refinancing.

INCOME TAXES

The following table compares the income taxes for the two years:

(€'000)	H1 2020	H1 2021	diff.
Current taxes	(7,410)	(7,915)	(504)
Changes in deferred taxes	5,683	4,849	(834)
Total income taxes	**(1,727)**	**(3,065)**	**(1,338)**

Income taxes increased by €1.3 million from €1.7 million in the first half 2020 to €3.1 million in the same period of 2021.
This increase is attributable for €0.5 million to the increase in current taxes mainly attributable to the general increase of the Group companies in the pre-tax results and for €0.8 million to the reduction in deferred tax income.

PROFIT FOR THE PERIOD

The profit for the first half of 2021 amounts to €1.6 million, which is an improvement of €9.1 million on the loss of €7.5 million in the first half 2020.
This improvement is mainly due to the higher gross operating profit (EBITDA) (+€3 million) and to the lower net financial expense (+€7.3 million), partly offset by higher income taxes (€1.3 million).

Reclassified statement of financial position

The following table shows the reclassified statement of financial position as at June 30, 2021 of the Guala Closures Group with comparative figures as at December 31, 2020:

(€'000)	December, 31 2020	June 30, 2021
Intangible assets	830,239	825,595
Property, plant and equipment	220,793	219,012
Right-of-use assets	16,516	15,852
Net working capital	123,806	144,787
Investment in associates	1,028	2,591
Derivative assets	634	-
Employee benefits	(9,631)	(9,733)
Other net liabilities	(103,215)	(99,656)
Net invested capital	**1,080,170**	**1,098,447**
Financed by:		
Net financial liabilities	476,084	472,830
Financial liabilities - IFRS 16 effects	17,011	16,184
Financial liabilities - non-controlling investors	29,032	31,690
Market warrants	5,965	292
Cash and cash equivalents	(63,882)	(43,440)
Net financial indebtedness	**464,210**	**477,556**
Equity	615,959	620,890
Sources of financing	**1,080,170**	**1,098,447**

INTANGIBLE ASSETS

The €4.6 million decrease in intangible assets compared to December 31, 2020 mainly refers to the amortization for the period (€9.5 million), partly offset by the net investments for the period (€0.9 million) and the positive translation effect (€4.0 million).

PROPERTY, PLANT AND EQUIPMENT

The €1.8 million decrease in property, plant and equipment compared to December 31, 2020 mainly refers to the depreciation for the period (€19.6 million), partly offset by the net investments for the period (€13.3 million) and the positive translation effect (€4.6 million).
Net capital expenditure of the first half 2021, amounting to €13.3 million, mainly relates to plant and machinery and was made on all five continents where the group operates and, specifically, in Europe (Italy, Poland and Ukraine), Asia (chiefly in India) and the Americas (the Mexican plant).

RIGHT-OF-USE ASSETS

At June 30, 2021, right-of-use assets amount to €15.9 million and mainly relate to the leases of the facilities where the group operates.
The €0.7 million decrease in right-of-use assets compared to December 31, 2020 mainly refers to the depreciation for the period (€2.5 million), partly offset by the net investments for the period (€1.9 million).
The €1.9 million increase for the period mainly refers to the building of Guala Closures East Africa Ltd used for its operations.

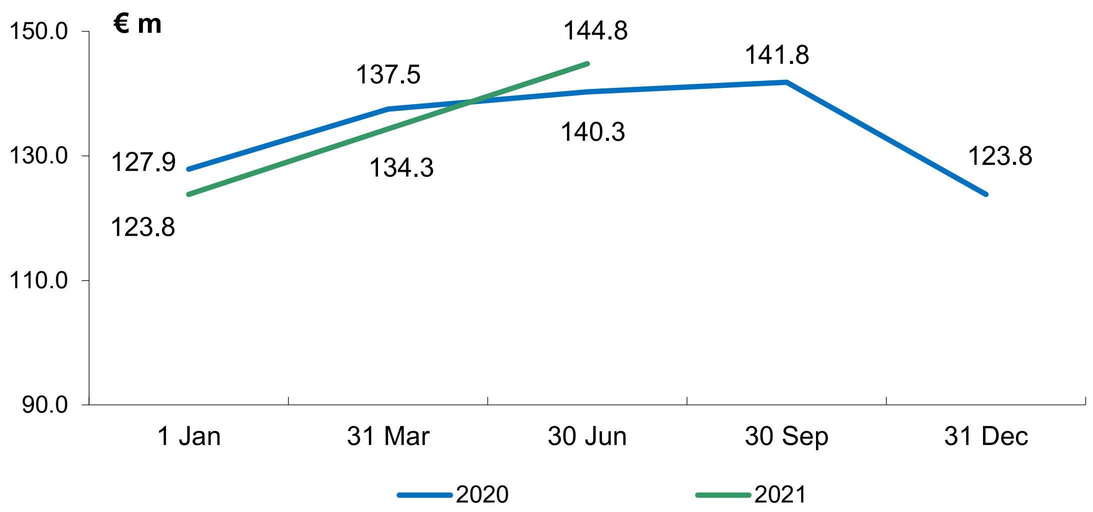
NET WORKING CAPITAL

The table below provides a breakdown of net working capital:

(€'000)	June 30, 2020	December 31, 2020	June 30, 2021
Inventories	121,739	100,021	123,105
Trade receivables	95,927	92,620	110,880
Trade payables	(77,391)	(68,835)	(89,198)
Net working capital (*)	**140,276**	**123,806**	**144,787**

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

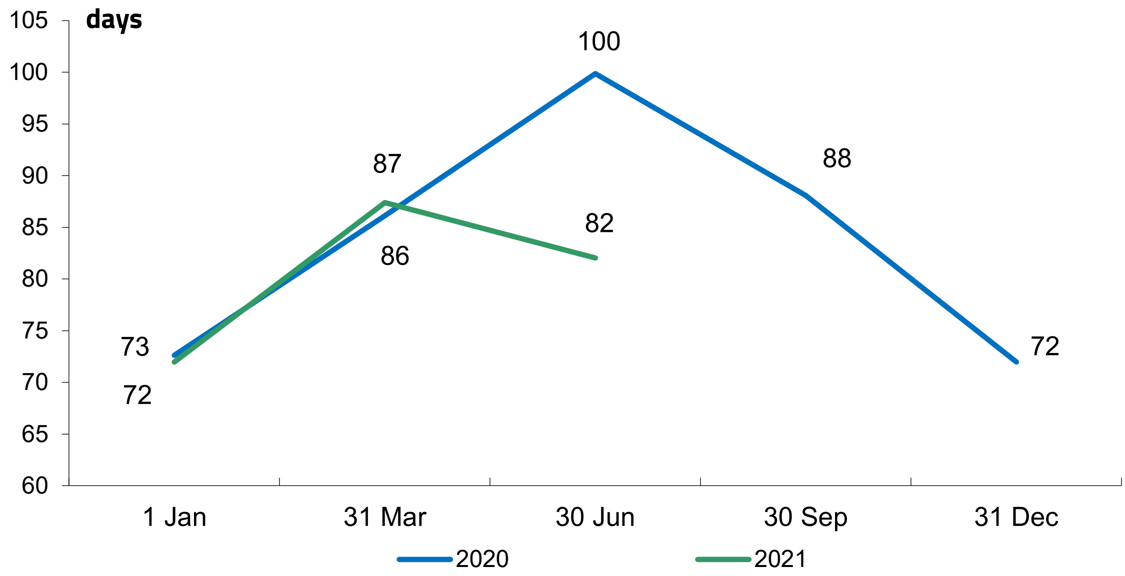
The chart below refers to the net working capital historical trend by quarter:



Net working capital at June 30, 2021 amounts to €144.8 million, with an increase of €21.0 million compared to December 31, 2020 in line with the business' seasonality.

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

Days	**June 30, 2020**	**December 31, 2020**	**June 30, 2021**
Inventories	87	58	70
Trade receivables	68	54	63
Trade payables	(55)	(40)	(51)
Net working capital days	**100**	**72**	**82**



Compared to December 31, 2020, net working capital days increased by 10 days at the end of the first half of 2021, as a result of the seasonality of the group's business. Such increase is much lower than the increase recorded in the first half 2020, when, due to Covid-19, the group increased inventories, to address potential difficulties in the procurement of raw materials due to expected lockdowns in the various countries in which the group operates.
Trade receivables are net of without-recourse factoring, which impacted at June 30, 2021 for €27.8 million, compared to €26.7 million at December 31, 2020 and €17.3 million at June 30, 2020. The low amount of factoring as at June 30, 2020 was due to the significant reduction in net revenue in 2Q 2020 caused by the Covid-19 pandemic.

EMPLOYEE BENEFITS

Employee benefits of €9.7 million at June 30, 2021 show an increase of €0.1 million compared to December 31, 2020.

OTHER NET LIABILITIES

Other net liabilities amount to €99.7 million at June 30, 2021, compared to €103.2 million at December 31, 2020. At June 30, 2021, this caption mainly consists of €94.5 million deferred tax liabilities (mostly attributable to the impact of the 2018 PPA procedure on Group assets), partly offset by €25.1 million deferred tax assets.

EQUITY

The table below shows a breakdown of equity:

(€'000)	**December, 31 2020**	**June 30, 2021**
Equity attributable to the owners of the parent	577,817	583,973
Equity attributable to non-controlling interests	38,143	36,917
Equity	**615,959**	**620,890**

The change in equity in the first half 2021 is due to the profit for the period partly offset by the distribution of dividends to non-controlling investors. 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, 2020	June 30, 2021
Net financial liabilities to third parties	476,084	472,830
Financial liabilities - IFRS 16 effects	17,011	16,184
Financial liabilities to non-controlling investors	29,032	31,690
Market warrants	5,965	292
Cash and cash equivalents	(63,882)	(43,440)
Net financial indebtedness	**464,210**	**477,556**

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

During the first half 2021, net financial indebtedness increased by €13.3 million from €464.2 million at December 31, 2020 to €477.6 million at June 30, 2021, mainly due to the fact that the cash flows generated by operating activities (€17.1 million) were more than offset by the cash flows used in investing activities (€15.0 million) and the cash flows used in financing activities (€15.4 million).
This change is €8.7 million lower than the increase recorded in the first half 2020 (€ 22.1 million) thanks to higher operating cash flows (€3.4 million) and lower cash flows used for investing activities (€5.4 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

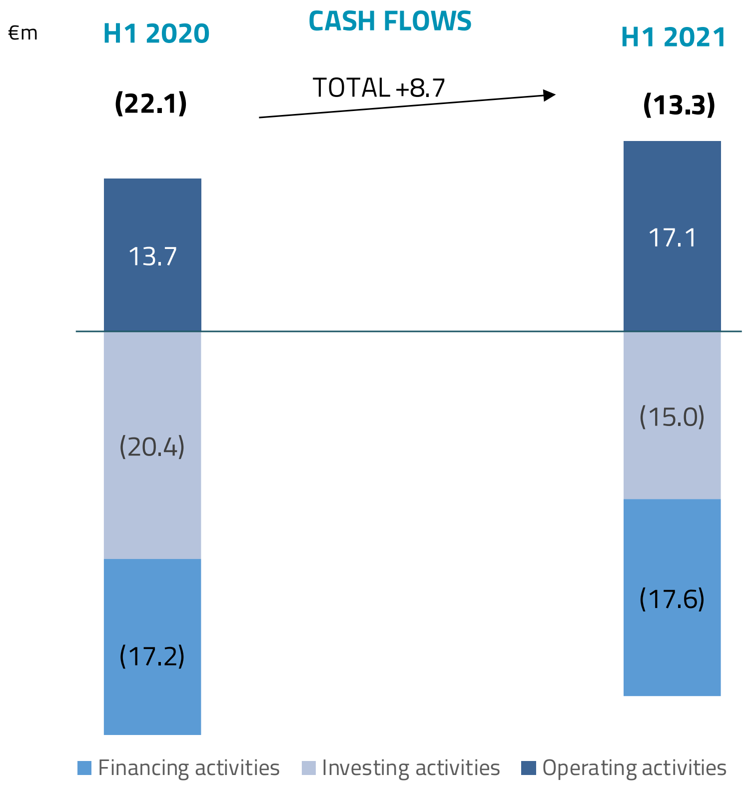
The reclassified statement of changes in net financial indebtedness for the first half 2021, compared to the corresponding period of 2020, is given below.

(€'000)	H1 2020	H1 2021
A) Opening net financial indebtedness	**(462,511)**	**(464,210)**
Gross operating profit	45,458	48,453
Gains on sales of equity investments	(2,830)	-
Net gains on sale of non-current assets	(23)	(382)
Change in net working capital	(20,415)	(18,124)
Other operating items	(1,613)	(1,342)
Taxes	(6,840)	(11,502)
B) Net cash flows from operating activities	**13,738**	**17,103**
Capex	(14,405)	(15,441)
Acquisition of Closurelogic's business (Germany)	(12,187)	-
Acquisition of non-controlling interest in SharpEnd (UK)	(897)	(1,608)
Sales of GCL Pharma S.r.l. (net of cash transferred)	7,088	2,000
C) Cash flows used in investing activities	**(20,400)**	**(15,049)**
Increases in right-of-use assets	(2,369)	(1,869)
Effects of initial application of IFRS 16 FTA on Closureslogic	(1,270)	-
Lease liabilities transferred as part of the sale of GCL Pharma	264	-
Net interest expense	(10,952)	(10,078)
Exceptional financial expense due to transaction costs on 2024 Notes and Existing RCF	-	(3,771)
Dividends paid	(1,383)	(3,160)
Change in financial liabilities for put options	94	(2,658)
Fair value gains (losses) on market warrants	(1,743)	5,673
Derivatives and other financial items	(596)	444
Effect of exchange fluctuation	2,529	20
D) Change in net financial indebtedness due to financing activities	**(15,426)**	**(15,400)**
E) Total change in net financial indebtedness (B+C+D)	**(22,089)**	**(13,346)**
F) Closing net financial indebtedness (A+E)	**(484,600)**	**(477,556)**

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 comparative figures for the first half 2020 have been restated to incorporate the effects of the PPA of Guala Closures Deutschland GmbH and to be consistent with the classification used in the first half 2021.

The following chart gives a breakdown of the various components comprising the changes in net financial indebtedness in the first half 2021 compared with the same period of the previous year:



Net cash flows from operating activities

Net cash flows generated by operating activities were €17.1 million in the first half of 2021, up €3.4 million on the corresponding period of 2020 (€13.7 million) mainly due to the increase in the gross operating profit (EBITDA) (€3.0 million), the lower absorption from the changes in net working capital (€2.3 million), partly offset by the increase in the cash out for taxes (€4.7 million) mainly due to the higher payment of VAT in UK, deferred from 2020 due to the Covid-19 pandemic.

Cash flows used in investing activities

Cash flows used in investing activities were €15.0 million in the first half of 2021, a €5.4 million decrease on the corresponding period of 2020 (€20.4 million).
The €5.4 million decrease is due to lower M&A activities (€6.4 million), partially offset by higher capital expenditure (€1.0 million).
In relation to M&A activity, in the first half of 2021, the Group received €2.0 million as deferred payment for the sale of GCL Pharma which took place in 2020 and paid €1.6 million to acquire an additional 10% stake in the UK associate SharpEnd. In the first half of 2020, the Group paid €12.2 million for the acquisition of Closurelogic's business and €0.9 million for the acquisition of 20% in the UK company SharpEnd, while collected €7.1 million from the sale of GCL Pharma.

Increase in net financial indebtedness due to financing activities

The net financial indebtedness due to financing activities in the first half 2021 amounts to €15.4 million, unchanged compared to the same period of 2020.

The following are the main positive factors behind this performance:

- positive impact from change in fair value of the market warrants (€7.4 million);
- effect of the initial application of IFRS 16 by the new German group company in the first six months of 2020 (€1.3 million, compared to nil in the reporting period);
- lower payments of net interest expense (+€0.9 million);

offset by the following main negative factors:

- exceptional financial expense due to pro-rata unamortised transaction costs reversal booked in June 2021 as a consequence of the Group refinancing (€3.8 million);
- increase in fair value losses on non-controlling investors' put options (€2.8 million);
- higher payment of dividends to non-controlling investors (€1.8 million).

Current trading and outlook

Despite the unstable environment that continues to affect all countries worldwide, during the summer season the partial re-opening of travels and tourism related activities confirms some positive outlook to speed up the recovery of the economic situation. However, some uncertainties remain on the Covid-19 development during the second part of the year. In this scenario, especially in case of renewed waves of the Covid-19 pandemic some governments do not exclude the reintroduction of restrictive measures.

Furthermore, costs of raw materials (both plastic and aluminium) and some other costs (utilities and transports) are still increasing as a consequence of the supply side and logistic price tensions generated by the pandemic situation.

The Group is planning all the necessary actions in order to mitigate the above impacts.

Alternative performance indicators and methodology underlying revenue and adjusted gross operating profit bridges

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 and the same figures for the first half 2021 at constant exchange rates [average exchange rates of the first half 2020]) which, although not required by IFRS, are based on IFRS values.
Management has presented the gross operating profit, adjusted gross operating profit, operating profit and adjusted operating profit because it monitors them at 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, the effects on the period of the PPA and related effects on the fair value measurement of inventories and other costs, such as expense related to the SPSI public tender offer, reorganization costs, expenses on mergers and acquisitions activity (M&A) and losses on equity investments.

Operating profit (EBIT) 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, the effects on the period of the PPA and related effects on the fair value measurement of inventories and other costs, such as expense related to the SPSI public tender offer, reorganization costs, expenses on mergers and acquisitions activity (M&A) and losses on equity investments.

Like for like basis, is calculated by adjusting the financial statement caption of the current period in order to show such caption based on the same scope of the previous period.

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 (adjusted EBITDA)

(€'000)	H1 2020	H1 2021
Profit/(loss) for the period	(7,504)	1,643
Income taxes	1,727	3,065
Profit/(loss) before tax	**(5,776)**	**4,708**
Net financial expense	19,334	12,052
Amortisation and depreciation	31,900	31,693
Gross operating profit	**45,458**	**48,453**
Adjustments:		
Public tender offer expenses	-	835
Purchase price allocation - fair value gains on inventories	273	-
Reorganisation costs	973	1,405
Merger and acquisition expenses	346	-
Change in equity-accounted investments	-	119
Gains on sales of equity investments	(2,830)	-
Adjusted gross operating profit (Adjusted EBITDA)	**44,220**	**50,812**

Adjusted operating profit (Adjusted EBIT)

(€'000)	H1 2020	H1 2021
Profit/(loss) for the period	(7,504)	1,643
Income taxes	1,727	3,065
Profit/(loss) before tax	**(5,776)**	**4,708**
Net financial expense	19,334	12,052
Operating profit	**13,558**	**16,760**
Adjustments:		
Public tender offer expenses	-	835
Purchase price allocation - fair value gains on inventories	273	-
Reorganisation costs	973	1,405
Merger and acquisition expenses	346	-
Change in equity-accounted investments	-	119
Gains on sales of equity investments	(2,830)	
Adjusted operating profit (Adjusted EBIT)	**12,320**	**19,119**

Constant currency presentation is the method used by management to eliminate the effects of exchange fluctuations when calculating the financial performance of the group's international operations. This presentation replaces the 2021 first half amounts (2021 first half income and expense of foreign operations are translated into Euros at the average exchange rates of the first half 2021) and the 2021 first half amounts recalculated at constant 2020 first half average exchange rates (2021 first half income and expense of foreign operations are translated into Euros at the average exchange rates of the first half 2020).

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 of IFRS indicators.

Methodology underlying revenue and adjusted gross operating profit bridges

A description of the effects shown in the net revenue bridge is provided below:

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

- the volume/mix effect is related to the increase/decrease in revenue connected to higher/lower volumes sold and to the different sales mix in product families and customers from one year to another;
- the currency effect is generated by the sales of the first half 2021 invoiced in a currency other than the local reporting currency and recalculated based on the exchange rates for 2020.

The "**Selling price effect**" is calculated by each group company as the difference in the average price of the current period versus the previous year, applied to the unit volume of the reporting period.

The "**Change in scope**" refers to the additional volumes resulting from the acquisition of Closurelogic's business in February 2020 and the acquisition of Guala Closures Turkey in September 2020, offset, in part, by the sale of GCL Pharma in April 2020. It is calculated as additional net assets due from third parties compared to the previous year.

The "**Translation effect**" is generated at consolidation level following the translation into Euros of subsidiaries' sales in local currency.

"**Other**" includes non-core sales (e.g., the sale of aluminium scraps) and residual amounts not specified in the aforementioned categories, as well as the "hyperinflation effect" of the revaluation of the Argentine peso following the application of IAS 29 (€0.5 million in the first half 2021).

A description of the effects shown in the adjusted gross operating profit bridge is provided below:

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

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

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

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

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

The “**Change in scope**” shows the adjusted gross operating profit from the consolidation of Closurelogic's business acquired in February 2020 in Germany and September 2020 in Turkey, net of the sale of GCL Pharma in April 2020.

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

Annexes to the directors’ report

Annex A)

Reconciliation between the tables included in the directors’ report and the condensed interim consolidated financial statements - financial income and expense

Annex B)

Reconciliation between the tables included in the directors’ report and the condensed interim consolidated financial statements - statement of financial position

Annex C)

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

Annex A)

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

(€'000)

Classification in reclassified financial income and expense	H1 2020	H1 2021	Classification in the notes to the condensed interim consolidated financial statements (notes 13-14)
Net exchange gains	8,862	3,620	Exchange gains
Net exchange losses	(15,930)	(4,838)	Exchange losses
Fair value gains (losses) on market warrants	(1,743)	5,673	Fair value gains losses on market warrants
Net fair value gains (losses) on currency derivatives	335	-	Fair value gains (losses) on currency derivatives
Fair value gains on non-controlling investors' put options	94	-	Financial income on non-controlling investors' put option
Fair value losses on non-controlling investors' put options	-	(2,658)	Financial losses on non-controlling investors' put option
Net interest expense	225	52	Interest income
Net other financial expense	733	1,118	Other financial income
Net interest expense	(10,367)	(9,905)	Interest expense
Financial expense for refinancing	-	(3,771)	Financial expense for refinancing
Net other financial expense	(1,544)	(1,343)	Other financial expense
Total net financial expense	**(19,334)**	**(12,051)**	

Annex B)

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

(€'000)

Classification in the reclassified statement of financial position	December 31, 2020	June 30, 2021	Classification in the financial statements
Net working capital	92,620	110,880	Trade receivables
Net working capital	100,021	123,105	Inventories
Net working capital	(68,835)	(89,198)	Trade payables
Total net working capital	**123,806**	**144,787**	
Other net liabilities	4,201	3,386	Current direct tax assets
Other net liabilities	10,992	13,070	Current indirect tax assets
Other net liabilities	6,417	7,045	Other current assets
Other net liabilities	195	110	Contract costs
Other net liabilities	24,501	25,051	Deferred tax assets
Other net liabilities	410	396	Other non-current assets
Other net liabilities	(5,514)	(3,132)	Current direct tax liabilities
Other net liabilities	(11,827)	(11,776)	Current indirect tax liabilities
Other net liabilities	(2,298)	(2,568)	Current provisions
Other net liabilities	(626)	(668)	Contract liabilities
Other net liabilities	(29,267)	(35,778)	Other current liabilities
Other net liabilities	(97,750)	(94,549)	Deferred tax liabilities
Other net liabilities	(241)	(196)	Non-current provisions
Other net liabilities	(2,407)	(47)	Other non-current liabilities
Total net other liabilities	**(103,215)**	**(99,656)**	
Net financial liabilities - third parties	(74)	(77)	Current financial assets
Net financial liabilities - third parties	(458)	(420)	Non-current financial assets
Net financial liabilities - third parties	9,905	470,997	Current financial liabilities
Market warrants	5,965	292	Current financial liabilities
Financial liabilities - IFRS 16 effects	3,645	3,728	Current financial liabilities
Net financial liabilities - third parties	466,711	2,330	Non-current financial liabilities
Non-controlling investors' put option	29,032	31,690	Non-current financial liabilities
Financial liabilities - IFRS 16 effects	13,366	12,456	Non-current financial liabilities
Cash and cash equivalents	(63,882)	(43,440)	Cash and cash equivalents
Total net financial indebtedness	**464,210**	**477,556**	

Annex C)

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

(€'000)

	June 30, 2020	June 30, 2021
Total change in net financial indebtedness	**(22,089)**	**(13,346)**
Increase in right-of-use assets	2,369	1,869
Proceeds from new borrowings and bonds	22,807	713
Repayment of borrowings and bonds	(5,914)	(9,640)
Repayment of finance leases	(3,791)	(2,710)
Translation effect on foreign currency assets and liabilities	(1,745)	692
Net fair value gains on non-controlling investors' put options	(94)	2,658
Change in liabilities for financial expense	4,709	(714)
Change in financial assets	(99)	35
Total change in financial assets and liabilities	**18,243**	**(7,096)**
Total change in cash and cash equivalents	**(3,845)**	**(20,442)**

Condensed interim consolidated financial statements at June 30, 2021

Statement of profit or loss

For the six months ended June 30 (€'000)	2020 (*)	2021	Note
Net revenue	**272,293**	**297,176**	6
Change in finished goods and semi-finished products	16,414	8,607	
Other operating income	1,839	3,573	7
Internal work capitalised	1,826	2,273	8
Costs for raw materials	(124,505)	(132,551)	9
Costs for services	(56,000)	(57,618)	10
Personnel expense	(64,628)	(68,261)	11
Other operating expense	(4,165)	(4,410)	12
Impairment losses on trade receivables and contract assets	(444)	(43)	
Impairment losses	(0)	(174)	
Gains on sales of equity investments	2,830		
Amortisation and depreciation	(31,900)	(31,693)	20-21-22
Financial income	10,315	10,464	13
Financial expense	(29,650)	(22,515)	14
Share of loss of equity-accounted investees, net of the tax effect	-	(119)	
Profit (loss) before taxation	**(5,776)**	**4,708**	
Income taxes	(1,727)	(3,065)	15
Profit (loss) for the period	**(7,504)**	**1,643**	
Attributable to:			
- the owners of the parent	(11,240)	(2,337)	
- non-controlling interests	3,736	3,980	

Statement of profit or loss and other comprehensive income

For the six months ended June 30 (€'000)	2020 (*)	2021
Profit (loss) for the period	**(7,504)**	**1,643**
Other comprehensive income (expense):		
Actuarial gains on defined benefit plans	207	365
Taxes on items that will not be reclassified to profit or loss	(63)	(111)
Items that will not be reclassified to profit or loss:	***143***	***254***
Foreign currency translation differences for foreign operations	(28,311)	10,099
Hedging reserve	(158)	-
Hedging reserve for cash flow hedges reclassified to profit or loss	-	(637)
Tax on items that will or may be reclassified subsequently to profit or	47	188
Items that will or may be reclassified subsequently to profit or loss:	**(28,422)**	**9,651**
Other comprehensive income (expense) for the period, net of tax	**(28,278)**	**9,905**
Comprehensive income (expense) for the period	**(35,782)**	**11,547**
Attributable to:		
- the owners of the parent	(36,704)	6,156
- non-controlling interests	922	5,391

(*) The comparative figures for the first six months ended June 30, 2020 were restated to reflect the effects of the completion of the PPA procedure related to the business combination of Guala Closures Deutschland GmbH.

The notes on pages 54 to 92 are an integral part of the condensed interim consolidated financial statements.

Statement of profit or loss

For the three months ended June 30 (€'000)	2020 (*)	2021	Note
Net revenue	**126,410**	**158,841**	6
Change in finished goods and semi-finished products	8,334	1,736	
Other operating income	666	2,291	7
Internal work capitalised	977	1,040	8
Costs for raw materials	(58,896)	(71,080)	9
Costs for services	(25,937)	(30,780)	10
Personnel expense	(30,065)	(34,368)	11
Other operating expense	(1,964)	(2,559)	12
Impairment losses on trade receivables and contract assets	(301)	(19)	
Impairment losses	(0)	(174)	
Gains on sales of equity investments	2,830	-	
Amortisation and depreciation	(15,628)	(16,014)	20-21-22
Financial income	2,472	6,468	13
Financial expense	(11,224)	(11,464)	14
Share of loss of equity-accounted investees, net of the tax effect	-	(35)	
Profit (loss) before taxation	**(2,326)**	**3,882**	
Income taxes	1,101	(1,693)	15
Profit (loss) for the period	**(1,225)**	**2,189**	
Attributable to:			
- the owners of the parent	(2,862)	298	
- non-controlling interests	1,637	1,890	

Statement of profit or loss and other comprehensive income

For the three months ended June 30 (€'000)	2020 (*)	2021
Profit (loss) for the period	**(1,225)**	**2,189**
Other comprehensive income (expense):		
Actuarial gains on defined benefit plans	(529)	24
Taxes on items that will not be reclassified to profit or loss	161	(7)
Items that will not be reclassified to profit or loss:	***(367)***	***17***
Foreign currency translation differences for foreign operations	555	1,083
Hedging reserve	275	-
Hedging reserve for cash flow hedges reclassified to profit or loss	-	(109)
Tax on items that will or may be reclassified subsequently to profit or	(81)	32
Items that will or may be reclassified subsequently to profit or loss:	**749**	**1,006**
Other comprehensive income (expense) for the period, net of tax	**382**	**1,023**
Comprehensive income (expense) for the period	**(843)**	**3,211**
Attributable to:		
- the owners of the parent	(3,120)	826
- non-controlling interests	2,276	2,385

(*) The comparative figures for the three months ended June 30, 2020 were restated to reflect the effects of the completion of the PPA procedure related to the business combination of Guala Closures Deutschland GmbH.

The notes on pages 54 to 92 are an integral part of the condensed interim consolidated financial statements.

Statement of financial position - ASSETS

(€'000)	**December 31, 2020**	**June 30, 2021**	**Note**
ASSETS			
Current assets			
Cash and cash equivalents	63,882	43,440	16
Current financial assets	74	77	
Trade receivables	92,620	110,880	17
Inventories	100,021	123,105	18
Current direct tax assets	4,201	3,386	
Current indirect tax assets	10,992	13,070	
Derivative assets	634	-	
Other current assets	6,417	7,045	
Total current assets	**278,841**	**301,002**	
Non-current assets			
Non-current financial assets	458	420	
Investments in associates	1,028	2,591	19
Property, plant and equipment	220,793	219,012	20
Right-of-use assets	16,516	15,852	21
Intangible assets	830,239	825,595	22
Contract costs	195	110	
Deferred tax assets	24,501	25,051	
Other non-current assets	410	396	
Total non-current assets	**1,094,139**	**1,089,027**	
TOTAL ASSETS	**1,372,980**	**1,390,029**	

The notes on pages 54 to 92 are an integral part of the condensed interim consolidated financial statements.

Statement of financial position - LIABILITIES

(€'000)	December 31, 2020	June 30, 2021	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	19,515	475,017	23
Trade payables	68,835	89,198	24
Contract liabilities	626	668	
Current direct tax liabilities	5,514	3,132	
Current indirect tax liabilities	11,827	11,776	
Current provisions	2,298	2,568	25
Other current liabilities	29,267	35,778	
Total current liabilities	**137,882**	**618,137**	
Non-current liabilities			
Non-current financial liabilities	509,109	46,476	23
Employee benefits	9,631	9,733	
Deferred tax liabilities	97,750	94,549	
Non-current provisions	241	196	25
Other non-current liabilities	2,407	47	
Total non-current liabilities	**619,139**	**151,002**	
Total liabilities	**757,021**	**769,139**	
Share capital and reserves attributable to non-controlling interests	29,515	32,937	
Profit for the period/year attributable to non-controlling interests	8,627	3,980	
Equity attributable to non-controlling interests	**38,143**	**36,917**	**27**
Share capital	68,907	68,907	
Share premium reserve	423,837	423,837	
Legal reserve	1,266	1,824	
Translation reserve	(25,679)	(16,991)	
Hedging reserve	449	-	
Retained earnings and other reserves	123,583	108,734	
Loss for the period/year	(14,546)	(2,337)	
Equity attributable to the owners of the parent	**577,817**	**583,973**	**26**
Total equity	**615,959**	**620,890**	
TOTAL LIABILITIES AND EQUITY	**1,372,980**	**1,390,029**	

The notes on pages 54 to 92 are an integral part of the condensed interim consolidated financial statements.

Statement of cash flows

Statement of cash flows for the six months ended June 30

(€'000)	2020 (*)	2021	Note
Opening cash and cash equivalents	**57,056**	**63,882**	
A) Cash flows from operating activities			
Profit (loss) before taxation	(5,776)	4,708	
Adjustments:			
Amortization and depreciation	31,900	31,693	20-21-22
Financial income	(10,315)	(10,464)	
Financial expense	29,650	22,515	
Impairment losses	0	174	
Share of loss of equity-accounted investees, net of the tax effect	-	119	
Gains on sales of equity investments	(2,830)	-	
Net gains on sale of non-current assets	(23)	(382)	
Variation:			
Receivables	266	(16,522)	17
Payables	5,705	19,283	24
Inventories	(26,386)	(20,886)	18
Other operating items	(1,613)	(1,635)	
VAT and indirect tax assets/liabilities	1,541	(2,161)	
Income taxes paid	(8,381)	(9,340)	
Net cash flows from operating activities	**13,738**	**17,103**	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(14,620)	(15,835)	20-21-22
Proceeds from sale of property, plant and equipment and intangible assets	214	394	20-21-22
Acquisition of Closurelogic GmbH's business (Germany)	(12,187)	-	
Acquisition of non-controlling interest in SharpEnd (UK)	(897)	(1,608)	
Sale of GCL Pharma S.r.l. (net of cash transferred)	7,088	2,000	
Net cash flows used in investing activities	**(20,400)**	**(15,049)**	
C) Cash flows from financing activities			
Interest received	958	1,171	
Interest paid	(10,542)	(9,988)	
Other financial items	(4)	372	
Dividends paid	(1,383)	(3,160)	
Proceeds from new borrowings and bonds	22,807	713	23
Repayment of borrowings and bonds	(5,914)	(9,640)	23
Repayment of leases	(3,791)	(2,710)	
Change in financial assets	(99)	35	
Net cash flows from (used in) financing activities	**2,033**	**(23,208)**	
Net cash flows of the period	**(4,629)**	**(21,154)**	
Effect of exchange fluctuations on cash held	784	712	
Closing cash and cash equivalents	**53,211**	**43,440**	**16**

(*) The comparative figures for the first half 2020 were restated to reflect the effects of the completion of the PPA procedure related to the business combination of Guala Closures Deutschland GmbH.

The notes on pages 54 to 92 are an integral part of the condensed interim consolidated financial statements.

Statement of changes in equity

For the six months ended June 30, 2020

(€'000)	**January 1, 2020**	**Allocation of profit for 2019**	Profit (loss) for the period	Other comprehensive expense	**Comprehensive expense for the period**	Dividends	Acquisition of non-controlling interests that result in a change of control	**Total transactions with owners**	**June 30, 2020**
	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	643	624			**-**			**-**	**1,266**
Translation reserve	6,041			(25,496)	**(25,496)**			**-**	**(19,455)**
Hedging reserve	-			(111)	**(111)**			**-**	**(111)**
Retained earnings and other reserves	116,249	7,081		143	**143**		783	**783**	**124,255**
Profit (loss) for the period	7,705	(7,705)	(11,240)		**(11,240)**			**-**	**(11,240)**
Equity	**623,381**	-	**(11,240)**	**(25,464)**	**(36,704)**	**-**	**783**	**783**	**587,458**
Non-controlling interests:									
Share capital and reserves	34,726	6,954	-	(2,814)	**(2,814)**	(3,582)	(783)	**(4,365)**	**34,500**
Profit (loss) for the period	6,954	(6,954)	3,736		**3,736**			**-**	**3,736**
Equity	**41,680**	**-**	**3,736**	**(2,814)**	**922**	**(3,582)**	**(783)**	**(4,365)**	**38,236**
Total equity	**665,060**	**-**	**(7,504)**	**(28,278)**	**(35,782)**	**(3,582)**	**-**	**(3,582)**	**625,695**

For the six months ended June 30, 2021

(€'000)	**January 1, 2021**	**Allocation of 2020 loss**	Profit (loss) for the period	Other comprehensive income	**Comprehensive income for the period**	Dividends	Acquisition of non-controlling interests that result in a change of control	**Total transactions with owners**	**June 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			**-**			**-**	**1,824**
Translation reserve	(25,679)			8,688	**8,688**			**-**	**(16,991)**
Hedging reserve	449			(449)	**(449)**			**-**	**0**
Retained earnings and other reserves	123,583	(15,103)		254	**254**			**-**	**108,734**
Profit (loss) for the period	(14,546)	14,546	(2,337)		**(2,337)**			**-**	**(2,337)**
Equity	**577,817**	-	**(2,337)**	**8,493**	**6,156**	**-**	**-**	**-**	**583,973**
Non-controlling interests:									
Share capital and reserves	29,515	8,627		1,411	**1,411**	(6,617)		(6,617)	**32,937**
Profit (loss) for the period	8,627	(8,627)	3,980		**3,980**	-		**-**	**3,980**
Equity	**38,143**	**-**	**3,980**	**1,411**	**5,391**	**(6,617)**	**-**	**(6,617)**	**36,917**
Total equity	**615,959**	**-**	**1,643**	**9,905**	**11,547**	**(6,617)**	**-**	**(6,617)**	**620,890**

The notes on pages 54 to 92 are an integral part of the condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements at June 30, 2021

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 owned by Special Packaging Solution Investments S.à.r.l. ("SPSI"),

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 for wine, roll-on and other closures;

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

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

(2) Accounting policies

These condensed interim consolidated financial statements at June 30, 2021 have been prepared in accordance with IAS 34 - Interim Financial Reporting.
Except for that set out in the "Changes to standards" section, the accounting policies applied to prepare the condensed interim consolidated financial statements by all the group companies are the same as those applied to prepare the consolidated financial statements of the Guala Closures Group at December 31, 2020, 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.
H1 means the first half of the year from January 1 to June 30.
Q2 means the second quarter of the year from April 1 to June 30.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for derivatives, market warrants and contingent consideration arising in a business combination (i.e., the non-controlling investors' put options) which are measured at fair value and investments in associates which are measured using the equity method. They have been prepared on a going concern basis. There are no business risks and/or any identified uncertainties which may cast doubts on the group's ability to continue as a going concern.

The condensed interim consolidated financial statements comprise the following schedules:

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

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

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

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

List of investments in subsidiaries and associates on June 30, 2021

	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	10,140,700	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 Japan KK	Japan	JPY	100,000,000	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 Servicios Mexico, S.A. de C.V.	Mexico	MXN	50,000	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%	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.	Kenia	KES	30,300,000	100%	Indirect (*)	Line-by-line

Note:

(*) 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 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 different from Euro:

	Average exchange rates		Spot exchange rates	
€1 = x foreign currency	**H1 2020**	**H1 2021**	**December 31, 2020**	**June 30, 2021**
Pound sterling	0.87432	0.86844	0.8990	0.8581
US dollar	1.10145	1.20567	1.2271	1.1884
Indian rupee	81.67663	88.44868	89.6605	88.3240
Mexican peso	23.85710	24.32073	24.4160	23.5784
Colombian peso	4,066.16500	4,369.36333	4,202.3400	4,474.1800
Brazilian real	5.41693	6.49172	6.3735	5.9050
Chinese renmimbi	7.74805	7.79803	8.0225	7.6742
Argentine peso	78.78590	113.64350	103.2494	113.6435
Polish zloty	4.41362	4.53655	4.5597	4.5201
New Zealand dollar	1.76038	1.68102	1.6984	1.7026
Australian dollar	1.67750	1.56285	1.5896	1.5853
Ukrainian hryvnia	28.62022	33.47910	34.7689	32.3618
Bulgarian lev	1.95580	1.95580	1.9558	1.9558
South African rand	18.3318	17.5333	18.0219	17.0114
Japanese yen	119.2072	129.8117	126.4900	131.4300
Chilean peso	895.6300	867.9883	872.5200	866.7500
Kenyan shilling	114.7876	131.0900	134.0171	128.1815
Belarus ruble	2.5758	3.1021	3.1646	3.0095
Turkish lira	n.a.	9.5126	9.1131	10.3210

Source: Bank of Italy

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

(3) Changes to standards

The new standards and/or amendments thereto applicable to annual reporting periods beginning on or after January 1, 2021 are set out below.

- Interest rate benchmark reform - Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16): the amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or the hedging relationships arising from replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and hedge accounting. The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by the interest rate benchmark reform by updating the effective interest rate of the financial asset or liability.

At June 30, 2021, the group has partly availed of a senior revolving credit facility in British pounds, accruing interest at the LIBOR and which will be subject to IBOR reform. This facility was closed during July 2021. The group expects that no significant modification gains or losses will arise as a result of applying the amendments to these changes.

The new standards and amendments are not expected to have any significant impacts on the condensed interim 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, 2021 and that are available for early adoption in annual periods beginning on January 1, 2021:

- Reference to Conceptual Framework (Amendments to IFRS 3)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous contracts - Costs of fulfilling a contract (Amendments to IAS 37)
- Annual improvements to IFRS Standards (Cycle 2018–2020)
- 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 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 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 half 2021.

Information regarding the results of the group's reportable segment is included below. 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	
	H1 2020 (*)	H1 2021	H1 2020 (*)	H1 2021	H1 2020 (*)	H1 2021
Net revenue	270,809	295,868	1,483	1,308	272,293	297,176
Amortisation and depreciation	(31,779)	(31,571)	(121)	(122)	(31,900)	(31,693)
Financial income	10,315	10,464	-	0	10,315	10,464
Financial expense	(29,650)	(22,515)	-	0	(29,650)	(22,515)
Share of loss of equity-accounted investees, net of the tax effect	-	(119)	-	0	-	(119)
Profit (loss) before taxation	(5,729)	4,718	(47)	(9)	(5,776)	4,708
Net capex (**)	14,166	15,280	239	161	14,405	15,441

(€'000)	Closures		Other operations		Total	
	Q2 2020 (*)	Q2 2021	Q2 2020 (*)	Q2 2021	Q2 2020 (*)	Q2 2021
Net revenue	125,886	158,046	524	795	126,410	158,841
Amortisation and depreciation	(15,568)	(15,952)	(60)	(61)	(15,628)	(16,014)
Financial income	2,472	6,468	-	0	2,472	6,468
Financial expense	(11,224)	(11,464)	-	0	(11,224)	(11,464)
Share of loss of equity-accounted investees, net of the tax effect	-	(35)	-	0	-	(35)
Profit (loss) before taxation	(2,294)	3,853	(32)	29	(2,326)	3,882

(*) The comparative figures for the first half 2020 have been restated to incorporate the effects of the PPA of Guala Closures Deutschland GmbH and to be consistent with the classification used in the first half 2021.
(**) Acquisitions of property, plant and equipment and intangible assets net of proceeds from sale of property, plant and equipment and intangible assets

(€'000)	Closures		Other operations		Total	
	December 31, 2020	June 20, 2021	December 31, 2020	June 20, 2021	December 31, 2020	June 20, 2021
Trade receivables	92,460	110,715	160	164	92,620	110,880
Inventories	99,463	122,522	558	584	100,021	123,105
Trade payables	(68,516)	(89,027)	(319)	(171)	(68,835)	(89,198)
Property, plant and equipment and Right-of-use assets	236,127	233,589	1,181	1,275	237,308	234,864

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, India, Poland, Mexico, North America, Spain, Germany, Ukraine, Australia, Argentina, South Africa and France.

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

Net revenue *(€'000)*	**Q2 2020**	**Q2 2021**	**H1 2020**	**H1 2021**
United Kingdom	15,772	27,497	40,825	50,723
Italy	16,678	19,730	35,092	35,412
India	7,461	15,010	23,590	30,979
Poland	14,107	14,924	28,489	29,791
Mexico	10,724	12,863	21,419	23,450
North America	7,462	9,132	13,221	16,733
Spain	8,990	8,705	19,725	15,268
Germany	8,411	8,251	15,289	15,229
Ukraine	7,456	6,935	17,103	12,865
Australia	6,099	5,330	12,345	10,836
Argentina	2,767	5,023	5,518	9,036
South Africa	1,396	4,398	4,424	7,840
France	3,884	4,122	7,449	7,554
Other countries	15,202	16,922	27,804	31,459
Net revenue	**126,410**	**158,841**	**272,293**	**297,176**

	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, 2020**	**June 30, 2021**	**December 31, 2020**	**June 30, 2021**
Italy	581,140	576,102	13,527	13,363
Australia	84,605	83,685	2,255	2,159
India	59,258	58,315	912	713
Poland	48,524	49,844	-	-
Spain	39,993	39,125	520	607
Mexico	33,693	34,428	99	102
Ukraine	30,739	31,606	-	-
South Africa	13,865	14,125	672	549
Germany	10,693	11,011	1,541	1,430
New Zealand	11,057	10,959	189	205
Brazil	9,792	10,290	-	-
Chile	8,501	8,284	1,648	1,930
China	7,329	7,444	132	138
Argentina	3,153	3,732	313	557
Other countries	60,616	60,268	1,776	2,346
Consolidation adjustments	64,591	61,241	918	953
Total	**1,067,547**	**1,060,458**	**24,501**	**25,051**

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

Information about key customers

In the Closures segment, there is only one customer that generated over 10% of revenue in the first half of 2021: the turnover of this customer amounts to around €44 million for the first half of 2021 (roughly 15% of net revenue).

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

During the period, the group finalised its subscription of a second stake non-controlling interest in SharpEnd Partnership Ltd.

On February 26, 2020, the Luxembourg subsidiary GCL International S.à r.l. subscribed a 20% interest in the fully diluted share capital (including the option for the issue of stock options) of SharpEnd Partnership Ltd, an innovative technology services agency based in London.

Founded in 2015 as the first IoT agency, SharpEnd is a pioneering partner in technological creativity. This company was set up to bridge the gap between products and consumers and its global customers include AB-InBev, PepsiCo, Nestlé, Unilever and Pernod Ricard.
The agreement between SharpEnd and the Guala Closures Group aims to offer innovative turnkey solutions, integrating hardware and software into connected packaging solutions.

On February 26, 2021, the Luxembourg subsidiary GCL International S.à.r.l. subscribed another capital increase of SharpEnd Partnership Ltd., increasing its investment to 30% of the associate's fully diluted capital (including the option for the issue of stock options) by paying £1.4 million (equivalent to €1.6 million).

The investment in the associate SharpEnd, with a carrying amount of €2.6 million at the reporting date, is periodically adjusted using the equity method.

STATEMENT OF PROFIT OR LOSS

(6) Net revenue

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

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Europe	79,062	94,263	170,273	174,349
Asia	8,648	16,563	25,812	34,228
Americas	27,768	34,357	52,064	62,171
Oceania	8,418	8,169	17,525	16,506
Africa	2,514	5,488	6,619	9,922
Total	**126,410**	**158,841**	**272,293**	**297,176**

The table below illustrates net revenue by product type:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Safety closures	39,211	59,080	93,859	112,128
Luxury closures	5,840	9,363	13,571	16,651
Roll-on closures for wine	28,913	30,173	56,971	59,510
Roll-on closures	47,807	54,659	96,574	98,835
Other revenue	4,639	5,566	11,317	10,053
Total	**126,410**	**158,841**	**272,293**	**297,176**

The table below illustrates net revenue by destination market:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Spirits closures	69,065	100,039	157,908	186,454
Wine closures	28,913	30,173	56,971	59,510
Olive oil & condiments closures	3,712	3,750	7,051	7,193
Water & beverages closures	21,505	16,558	39,046	29,007
Closures for other markets	3,215	8,320	11,317	15,013
Total	**126,410**	**158,841**	**272,293**	**297,176**

(7) Other operating income

This caption includes:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Sundry recoveries/repayments	409	1,535	1,066	1,937
Government assistance	146	550	296	1,079
Gains on sale of non-current assets	10	55	23	382
Other	102	151	454	175
Total	**666**	**2,291**	**1,839**	**3,573**

(8) Internal work capitalised

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Internal work capitalised	977	1,040	1,826	2,273
Total	**977**	**1,040**	**1,826**	**2,273**

(9) Costs for raw materials

This caption includes:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Raw materials and supplies	57,064	69,035	122,422	132,043
Packaging	2,461	3,275	5,442	6,205
Consumables and maintenance	2,030	2,176	4,380	4,522
Fuels	83	94	179	180
Other purchases	1,047	965	2,041	1,840
Change in inventories	(3,790)	(4,465)	(9,959)	(12,240)
Total	**58,896**	**71,080**	**124,505**	**132,551**

(10) Costs for services

This caption includes:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020 (*)**	**2021**
Electricity / heating	5,433	7,436	12,628	14,167
Transport	6,035	7,188	12,899	13,348
External processing	4,623	4,620	9,112	8,599
Maintenance	1,682	2,097	3,787	4,271
Legal and consulting fees	1,449	1,889	3,280	3,642
Sundry industrial services	2,267	1,960	3,900	3,399
Administrative services	601	1,144	1,459	1,931
Insurance	837	917	1,643	1,609
Technical assistance	482	464	961	873
Travel	160	410	1,161	828
Cleaning service	361	433	690	821
Commissions	344	509	725	812
External labour / porterage	473	338	1,065	615
Directors' fees	192	387	495	614
Telephone costs	166	156	335	327
Security	95	110	207	215
Advertising services	104	76	184	206
Entertainment expenses	67	45	208	153
Commercial services	85	58	192	136
Other	481	543	1,069	1,052
Total	**25,937**	**30,780**	**56,000**	**57,618**

(*) The comparative figures for the first half 2020 have been restated to incorporate the effects of the PPA of Guala Closures Deutschland GmbH and to be consistent with the classification used in the first 2021

Details of fees paid to the key management personnel are provided in note to the condensed interim consolidated financial statements 30) Related party transactions.

(11) Personnel expense

This caption includes:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020 (*)**	**2021**
Wages and salaries	23,925	27,036	50,979	53,813
Social security contributions	3,647	3,979	7,646	7,844
Expense from defined benefit plans	430	494	831	1,008
Other costs	2,064	2,859	5,173	5,596
Total	**30,065**	**34,368**	**64,628**	**68,261**

(*) The comparative figures for the first half 2020 have been restated to incorporate the effects of the PPA of Guala Closures Deutschland GmbH and to be consistent with the classification used in the first half 2021

Details of fees paid to the key management personnel are provided in note to the condensed interim consolidated financial statements 30) Related party transactions.

At December 31, 2020 and at June 30, 2021, the group had the following number of employees:

	December 31, 2020	**June 30, 2021**
Blue collars	3,520	3,512
White collars	1,062	1,059
Managers	270	289
Total	**4,852**	**4,860**

(12) Other operating expense

This caption includes:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Accruals to provisions	950	1,038	1,039	1,641
Use of third-party assets	404	474	913	904
Taxes and duties	498	554	972	899
Other charges	112	494	1,241	966
Total	**1,964**	**2,559**	**4,165**	**4,410**

The accruals to provisions mainly refer to the provisions for company reorganizations and returns.
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:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Exchange gains	3,584	475	8,862	3,620
Fair value gains on currency derivatives	287	-	401	-
Interest income	58	29	225	52
Financial income/(expense) for financial liabilities to non-controlling investors	(1,092)	(348)	94	-
Fair value gains/(losses) on market warrants	(583)	5,673	-	5,673
Other financial income	218	639	733	1,118
Total	**2,472**	**6,468**	**10,315**	**10,464**

(14) Financial expense

This caption includes:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020**	**2021**
Interest expense	5,149	5,052	10,367	9,905
Exchange losses	3,631	1,212	15,930	4,838
Fair value losses on liabilities to non-controlling investors	-	2,658	-	2,658
Financial expense for refinancing	-	3,771	-	3,771
Fair value (gains)/losses on market warrants	1,743	(1,780)	1,743	-
Fair value losses on currency derivatives	34	-	66	-
Other financial expense	667	550	1,544	1,343
Total	**11,224**	**11,464**	**29,650**	**22,515**

Financial expense for refinancing of €3.8 million refer to the pro-rata unamortised transaction costs reversal booked in June 2021 as a consequence of the Group refinancing.

Fair value gains on market warrants depends on the decrease in the official price of these instruments set by Borsa Italiana in the first half of 2021 (increase in the official price in the corresponding period of 2020).

Financial expense (or financial income) on non-controlling investors' put options refers to the recognition of the increase (or decrease) in the financial liabilities for these investors' right to exercise a put option if certain conditions are met. The liability was determined as the present value of the put option at its expected time of exercise.

Other financial expense for the first half 2021 includes €543 thousand related to the application of IFRS 16 (€557 thousand in the corresponding period of 2020).

(15) Income taxes

This caption includes:

	Q2		H1	
(€'000)	**2020**	**2021**	**2020 (*)**	**2021**
Current taxes	(2,254)	(3,884)	(7,410)	(7,915)
Changes in deferred taxes	3,355	2,190	5,683	4,849
Total	**1,101**	**(1,693)**	**(1,727)**	**(3,065)**

(*) The comparative figures for the half 2020 have been restated to incorporate the effects of the PPA of Guala Closures Deutschland GmbH and to be consistent with the classification used in the first half 2021

Income taxes increased by €1.3 million from €1.7 million in the first half 2020 to €3.1 million in the same period of 2021.
This increase is attributable for €0.5 million to the increase in current taxes and for €0.8 million to the reduction in deferred tax income.
The increase in current taxes in the first half 2021 compared to the first half 2020 is mainly attributable to the general increase of the Group companies in the pre-tax results and to the increase of withholding on dividends collected while the first half 2020 was impacted by a one-off tax benefit recognised by Guala Closures S.p.A..
The decrease in deferred tax assets is mainly driven by lower unrealised exchange losses compared to H1 2020 and lower deferred tax assets recognised on the losses carried forward partially offset by the increase in deferred tax assets following the recognition of tax credits for new investments in a special economic zone in Poland.

The change in deferred tax assets recognised in profit or loss differs from the change in the corresponding statement of financial position items for transactions directly attributed to the other components of the comprehensive income statement (OCI) for a positive amount of €77 thousand.

Statement of financial position

(16) Cash and cash equivalents

Cash and cash equivalents totalled €43,440 thousand at June 30, 2021 (€63,882 thousand at December 31, 2020).

(17) Trade receivables

This caption may be analysed as follows:

(€'000)	December 31, 2020	June 30, 2021
Trade receivables	95,378	112,946
Loss allowance	(2,758)	(2,066)
Total	**92,620**	**110,880**

The balance of trade receivables reflects the various group companies' use of without-recourse or reverse factoring. This impact at June 30, 2021 amounts to €27.8 million, compared to €26.7 million at December 31, 2020.

The loss allowance changed as follows:

(€'000)	June 30, 2021
Opening balance	2,758
Net exchange losses	(80)
Impairment losses	43
Utilisations/releases of the year	(654)
Closing balance	**2,066**

(18) Inventories

This caption may be analysed as follows:

(€'000)	December 31, 2020	June 30, 2021
Raw materials, consumables and supplies	52,226	66,155
Allowance for inventory write-down	(1,791)	(1,955)
Work in progress and semi-finished products	24,542	28,272
Allowance for inventory write-down	(856)	(1,079)
Finished products and goods	27,130	33,087
Allowance for inventory write-down	(1,409)	(1,600)
Payments on account	180	224
Total	**100,021**	**123,105**

The €23.1 million increase compared to December 31, 2020 is in line with the business' normal seasonal trends.

Changes in the first half 2021 are as follows:

(€'000)	
January 1, 2021	100,021
Exchange losses	2,193
Change in raw materials, consumables and supplies	7,775
Change in finished goods and semi-finished products	8,607
Change in payments on account	44
June 30, 2021	**123,105**

The allowance for inventory write-down changed as follows:

(€'000)	June 30,21
Opening balance	4,057
Net exchange gains	25
Accruals	552
Closing balance	**4,633**

(19) Investments in associates

This caption amounts to €2.6 million at June 30, 2021 and is entirely comprised of the investment in SharpEnd Partnership Ltd, an innovative technology services agency based in London (UK).

The €1.6 million increase compared to December 31, 2020 is due to the additional payment of £1,400 thousand made in the reporting period to acquire an additional 10% of the associate's fully diluted share capital in the form of preference shares. As a result, the group's investment increased to 30%.

The group adjusted its investment by €0.1 million during the period in line with its share of the associate's loss for the first half 2021 based on the equity method.

(20) Property, plant and equipment

The following table shows the changes in this caption in the reporting period:

(€'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, 2020	58,300	203,668	22,295	3,019	13,108	**300,391**
Accumulated depreciation and impairment losses at December 31, 2020	(5,009)	(65,731)	(7,359)	(1,499)	-	**(79,598)**
Carrying amount at December 31, 2020	**53,290**	**137,938**	**14,936**	**1,520**	**13,108**	**220,793**
Carrying amount at January 1, 2021	**53,290**	**137,938**	**14,936**	**1,520**	**13,108**	**220,793**
Net exchange gains	977	2,618	167	13	846	**4,620**
Increases	0	1,243	28	88	11,935	**13,294**
Disposals	-	-	-	-	(12)	**(12)**
Impairments	-	-	(109)	-	-	**(109)**
Reclassifications	2,404	8,838	1,769	30	(12,978)	**63**
Depreciation	(1,111)	(16,403)	(1,819)	(303)	-	**(19,636)**
Historical cost at June 30, 2021	61,583	219,369	24,150	3,168	12,899	**321,169**
Accumulated depreciation and impairment losses at June 30, 2021	(6,023)	(85,136)	(9,178)	(1,820)	-	**(102,157)**
Carrying amount at June 30, 2021	**55,560**	**134,233**	**14,972**	**1,348**	**12,899**	**219,012**

In the first half 2021, net capex of €13.3 million mainly 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 plant and machinery across all five continents where the group operates, with a specific focus on the group's main European facilities in Italy, Poland and Ukraine, its Indian facilities as well as its Mexican facility.

In Italy, capex was mainly directed at increasing production capacity, new product development and extraordinary plant maintenance.

In Poland, capex mainly consisted of increasing production capacity.

In Ukraine, capex mainly consisted of increasing production capacity, plant safety and extraordinary plant maintenance.

In Asia, capex targeted, in particular, the Indian facilities for extraordinary plant maintenance and new product development.

In Latam-US, the main capex focused on the Mexican facility with projects mainly for plant safety and extraordinary maintenance. Smaller investments were also made in all the other facilities across the region.

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

At June 30, 2021, the collateral on property, plant and equipment is unchanged from that set out in the relevant note to the 2020 consolidated financial statements.

(21) Right-of-use assets

The following table shows the changes in this caption in the first half 2021:

(€'000)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Historical cost at December 31, 2020	19,083	2,997	2,893	3,155	**28,128**
Accumulated depreciation and impairment losses at December 31, 2020	(7,037)	(1,669)	(1,423)	(1,485)	**(11,613)**
Carrying amount at December 31, 2020	**12,047**	**1,329**	**1,470**	**1,670**	**16,515**
Carrying amount at January 1, 2021	**12,047**	**1,329**	**1,470**	**1,670**	**16,515**
Net exchange gains (losses)	(76)	69	13	34	**40**
Increases	1,158	160	118	433	**1,869**
Reclassifications	-	(63)	-	-	**(63)**
Depreciation of right-of-use assets	(1,612)	(78)	(367)	(453)	**(2,510)**
Historical cost at June 30, 2021	20,165	3,163	3,024	3,622	**29,975**
Accumulated depreciation and impairment losses at June 30, 2021	(8,648)	(1,747)	(1,789)	(1,938)	**(14,123)**
Carrying amount at June 30, 2021	**11,517**	**1,417**	**1,234**	**1,684**	**15,852**

The main increases in right-of-use assets relate to land and buildings, specifically the buildings of Guala Closures East Africa Ltd used for its operations.

(22) Intangible assets

The following table shows the changes in this caption in the first half 2021:

(€'000)	Development expenditure	Licences and patents	Goodwill	Other assets	Assets under development and payments on account	Total
Historical cost at December 31, 2020	3,809	133,813	505,224	235,505	2,676	**881,027**
Accumulated amortisation and impairment losses at December 31, 2020	(1,818)	(25,769)	-	(23,201)	-	**(50,788)**
Carrying amount at December 31, 2020	**1,991**	**108,045**	**505,224**	**212,303**	**2,676**	**830,239**
Carrying amount at January 1, 2021	**1,991**	**108,045**	**505,224**	**212,303**	**2,676**	**830,239**
Net exchange gains (losses)	(246)	8	-	4,333	(55)	**4,039**
Increases	341	18	-	11	559	**928**
Impairments	(65)	-	-	-	-	**(65)**
Reclassifications	760	5	-	(28)	(737)	**-**
Amortization	(330)	(4,437)	-	(4,780)	-	**(9,547)**
Historical cost at June 30, 2021	4,682	133,283	505,224	239,720	2,444	**885,353**
Accumulated amortisation and impairment losses at June 30, 2021	(2,232)	(29,645)	-	(27,881)	-	**(59,758)**
Carrying amount at June 30, 2021	**2,450**	**103,638**	**505,224**	**211,839**	**2,444**	**825,595**

This caption decreased by €4.6 million from December 31, 2020 due to the amortisation of €9.5 million for the period, partially offset by the positive translation effect of roughly €4.0 million and the net increases of the period (€0.9 million).

Licences and patents mainly refer to the Guala Closures trademark and the group's proprietary patents, and the line “Other assets” mostly refers to business relationships with customers.

Goodwill arising on the PPA procedure for the business acquired in Germany is unchanged at June 30, 2021 compared to December 31, 2020.

Goodwill is not amortised but is tested for impairment. Since its recognition on July 31, 2018, goodwill has never been impaired.

The group checks the recoverability of goodwill at least once a year, or more frequently if specific events or circumstances indicate impairment, by testing each CGU (cash-generating unit).
Reference should be made to the 2020 annual report for information on the previous impairment test.

The main economic and financial indicators of the Group for the first half of 2021 show a positive trend for the Group with an adjusted gross operating profit (adjusted EBITDA), net working capital and net financial position in line with or slightly better than the 2021 budget used for the purposes of the impairment test as at December 31, 2020.

The level of net invested capital at June 30, 2021 is consistent and substantially in line with the most recent forecasts at that date and therefore there have been no changes in the value of the net invested capital that could affect the validity of the impairment test carried out with reference to December 31, 2020. With reference to the discount and inflation rate underlying the impairment test carried out with reference to December 31, 2020, there are no events that have substantially impacted them and, therefore, they are still applicable and reasonable at the date of this Report.

On this basis, the directors have not identified specific events and/or additional circumstances compared to December 31, 2020 that could indicate an impairment of goodwill and, therefore, the need to update the impairment test carried out for the consolidated financial statements at December 31, 2020.

(23) Current and non-current financial liabilities

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

Reference should be made to note 28) Fair value of financial instruments and sensitivity analysis for further information on the group's exposure to interest and currency risks.

On July 20, 2018, the parent entered into a revolving credit facility agreement ("**Existing RCF**") governed by the laws of England and Wales with UniCredit Bank AG, Milan Branch, as agent, and the lenders (Credit Suisse International, Banco BPM S.p.A., Barclays Bank PLC, Intesa Sanpaolo S.p.A. and Unicredit S.p.A.) for a maximum amount of €80 million at the 3M Euribor/GBP Libor + 2.5% (zero floor). The Existing RCF expiring date is on February 28, 2024.

On October 3, 2018, Guala Closures S.p.A. issued floating rate bonds of €455 million (3M Euribor + 3.5% - zero floor) due in 2024 (the "**Bonds**") under an indenture contract governed by the laws of the State of New York. The contract was signed, inter alia, by Guala Closures S.p.A., as the issuer, The Law Debenture Trust Corporation p.l.c., as the senior secured notes trustee and Bondholders' representative pursuant to articles 2417 and 2418 of the Italian Civil Code, Deutsche Bank AG, London branch, as the paying agent, and Deutsche Bank Luxembourg S.A., as the transfer agent and the registrar (the "**Indenture**").

The contracts governing the RCF and the Indenture of the Bonds provide for change of control clauses. Specifically, the threshold that determines a change of control according to the RCF is 35% of voting rights at Guala Closures shareholders' meetings, while the same threshold under the Bond regulation is 50% of voting rights.

Due to the "change of control" which took place on June 7, 2021, the change-of-control clauses were triggered both for the 2024 Notes and Existing RCF contracts and therefore the company started a refinancing process, that was successfully completed on June 24, 2021. At the same date, Guala Closures issued a notice of redemption for the 2024 Notes to be redeemed on July 7, 2021 and on June 29, 2021 in relation to the outstanding amount of the existing RCF.
Following the above processes, the financial debt was reclassified as short-term financial liabilities at the reporting date and the related portion of transaction costs recognised as financial expense in the period.

Financial liabilities at December 31, 2020 and June 30, 2021 are shown below:

(€'000)	**December 31, 2020**	**June 30, 2021**
Current financial liabilities		
Bonds	3,406	454,662
Bank loans and borrowings	6,497	16,333
Other financial liabilities	9,611	4,022
	19,515	***475,017***
Non-current financial liabilities		
Bonds	446,454	-
Bank loans and borrowings	20,258	2,330
Other financial liabilities	42,398	44,146
	509,109	***46,476***
Total	**528,624**	**521,493**

The interest rates and maturity dates of the financial liabilities at December 31, 2020 and June 30, 2021 are shown below:

				Nominal Amount				
					Current	Non-current		
(€'000)	Currency	Nominal interest rate	Year of maturity	Total December 31, 2020	Within one year	Between one and five years	More than five years	Total non-current
Bonds								
Bonds - Floating Rate Senior Secured Notes issued by Guala Closures S.p.A.	€	Euribor 3M + 3.50%	2024	455,000	-	455,000	-	455,000
Interest on bonds	€	n.a.	2021	3,406	3,406	-	-	-
Transaction costs	€	n.a.	2024	(8,546)	-	(8,546)	-	(8,546)
TOTAL FRSSN 2024 bonds - Guala Closures S.p.A.				**449,860**	**3,406**	**446,454**	**-**	**446,454**
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€ / GBP	Euribor/Libor GBP 3M+2.5%	2024	19,235	-	19,235	-	19,235
Transaction costs	€	n.a.	2024	(453)	-	(453)	-	(453)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**18,782**	**-**	**18,782**	**-**	**18,782**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2021	67	67	-	-	-
Yes Bank loan and facilities (India)	INR	8.95%	2021	469	469	-	-	-
Handlowy S.A. / Millennium S.A. facilities (Poland)	PLN	Wibor 1M (*)	n.a.	4,064	4,064	-	-	-
Banco Chile loan (Chile)	CLP	3.48%	2023	328	144	183	-	183
Santander loan and facilities (Brazil)	BRL	n.a.	2021	18	16	2	-	2
Advances on receivables (Argentina)	ARS	n.a.	n.a.	(0)	-	(0)	-	(0)
Bancomer loans (Mexico)	USD	n.a.	2023	3,027	1,736	1,290	-	1,290
TOTAL bank loans and borrowings				**26,755**	**6,497**	**20,258**	**-**	**20,258**
Other financial liabilities:								
Market warrants	€	n.a.	n.a.	5,965	5,965	-	-	-
Leases (IFRS 16)	€	n.a.	n.a.	17,011	3,645	13,366	-	13,366
Non-controlling investors' put options	€	n.a.	n.a.	29,032	-	-	29,032	29,032
Other liabilities	€	n.a.	n.a.	1	1	-	-	-
TOTAL other financial liabilities				**52,009**	**9,611**	**13,366**	**29,032**	**42,398**
TOTAL				**528,624**	**19,515**	**480,077**	**29,032**	**509,109**

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

(€'000)	Currency	Nominal interest rate	Year of maturity	Nominal amount				
					Current	Non- current		
				Total June 30, 2021	Within one year	Between one and five years	More than five years	Total non-current
Bonds								
Bonds - Floating Rate Senior Secured Notes issued by Guala Closures S.p.A.	€	Euribor 3M + 3.50%	2021	455,000	455,000	-	-	-
Interest on bonds	€	n.a.	2021	3,362	3,362	-	-	-
Transaction costs	€	n.a.	2021	(3,700)	(3,700)	-	-	-
TOTAL FRSSN 2024 bonds - Guala Closures S.p.A.				**454,662**	**454,662**	**-**	**-**	**-**
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€ / GBP	Euribor/Libor GBP 3M+2.5%	2021	13,489	13,489	-	-	-
Transaction costs	€	n.a.	2021	(249)	(249)	-	-	-
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**13,240**	**13,240**	**-**	**-**	**-**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2021	44	44	-	-	-
Yes Bank loan and facilities (India)	INR	6.80%	2021	87	87	-	-	-
Handlowy S.A. / Millennium S.A. facilities (Poland)	PLN	Wibor 1M (*)	n.a.	1,209	1,209	-	-	-
Banco Chile loan (Chile)	CLP	3.48%	2023	268	167	100	-	100
Santander loan and facilities (Brazil)	BRL	n.a.	2021	4	4	(0)	-	(0)
Bancomer loans (Mexico)	USD	n.a.	2023	3,811	1,581	2,230	-	2,230
TOTAL bank loans and borrowings				**18,663**	**16,333**	**2,330**	**-**	**2,330**
Other financial liabilities:								
Market warrants	€	n.a.	n.a.	292	292	-	-	-
Leases (IFRS 16)	€	n.a.	n.a.	16,184	3,728	12,456	-	12,456
Non-controlling investors' put options	€	n.a.	n.a.	31,690	-	-	31,690	31,690
Other liabilities	€	n.a.	n.a.	2	2	-	-	-
TOTAL other financial liabilities				**48,168**	**4,022**	**12,456**	**31,690**	**44,146**
TOTAL				**521,493**	**475,017**	**14,786**	**31,690**	**46,476**

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

Other financial liabilities include the market warrants, which have a fair value of €292 thousand and €5,965 thousand at June 30, 2021 and December 31, 2020 respectively. The fair value gain for the period was recognized as a financial income in profit or loss (€5,673 thousand). This gain is attributable to the decrease in the market price of the market warrants, which went from €0.31 at December 31, 2020 to €0.0151 at June 30, 2021. This market price decreased following the communication to the market of the imminent delisting of the company's shares.

On the date of their first trading, the parent recognised 10,000,000 market warrants, traded separately to the shares, for an amount of €6,000,000, by setting up a negative equity reserve of the same amount (described in note 27) Equity attributable to the owners of the parent. Furthermore, on August 6, 2018, the date the merger became effective, another 9,367,393 market warrants were assigned for €9,367,393, setting up a negative equity reserve of the same amount. The warrants were assigned free of charge in the ratio of four market warrants to every 10 ordinary shares. They can be exercised against payment as resolved by the shareholders in their extraordinary meetings of September 26, 2017 and November 16, 2017.
Based on the market warrant regulation, the warrant holders may decide to exercise them in whole or in part at any time and to subscribe the exchange shares at the subscription price, as long as the average monthly price is higher than the strike price (€10 per share). The subscription price of €0.10 per exchange share was approved by the shareholders on September 26, 2017 based on the amendments introduced on October 26, 2017. The parent will publish the acceleration communication should the average monthly price be the same as or higher than €13 per share.
As a result, the holders of the market warrants will be assigned exchange shares based on the following exchange ratio:

$$\frac{\textit{Average monthly price - Strike price}}{\textit{Average monthly price - Subscription price}}$$

Warrants not exercised by the expiry date are taken to have been extinguished and are no longer valid when by expiry date is meant the first of the following dates: (i) the first trading date after five years from the relevant transaction's effective date and (ii) the first trading date after 60 calendar days from the date of publication of the acceleration communication.

On June 14, 2021, SPSI completed the Offers, consisting, among the other, of the Voluntary Offer in respect of the Issuer's market warrants listed on the Italian Stock Exchange (Mercato Telematico Azioniario) (net of the market warrants already held by SPSI) for a consideration of €0.30 per market warrant, pursuant to article 102 of the Consolidated Finance Act. As a result, as of June 14, 2021, SPSI held a total of 16.809.156 market warrants, representing 86.8% of the Issuer's total market warrants. Following completion of the sell-out, Guala's market warrants were delisted from the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. and market warrants will no longer be exercisable by their respective holders, except in case of re-listing of the Issuer's ordinary shares on the Italian Stock Exchange.

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 28b 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 year, if any, is recognised under financial income (expense) in profit or loss and the non-controlling interests continue to be presented separately as, to all effects, the non-controlling investors have the right to access the profit or loss pertaining to their investment.
Reference should be made to note 28) Fair value of financial instruments and sensitivity analysis for further details.

The Senior Revolving Credit Facility's availability at June 30, 2021 is shown in the table below:

Facility	Available amount (€'000)	Amount used at June 30, 2021	Residual available amount June 30, 2021	Repayment date
Revolving Credit Facility due 2024	67,000	13,489	53,511	final repayment 07/07/2021
Total	**67,000**	**13,489**	**53,511**	

As described earlier, the draw-down amount of the Senior Revolving Credit Facility was decreased to €67 million in April 2021 and the amount used was reclassified under current payables at June 30, 2021 in view of the company's refinancing following the triggering of the "change of control" clause of the RCF.

(24) Trade payables

These may be analyzed as follows:

(€'000)	December 31, 2020	June 30, 2021
Suppliers	68,278	88,583
Payments on account	557	615
TOTAL	**68,835**	**89,198**

(25) Provisions

This caption may be analysed as follows:

CURRENT PROVISIONS:

(€'000)	December 31, 2020	June 30, 2021
Provision for company reorganisations	686	1,443
Provision for returns	896	860
Provision for contingencies	701	161
Other provisions	16	104
Total current provisions	**2,298**	**2,568**

The provision for company reorganisations includes:

- €841 thousand for the reorganization of the company in Luxembourg.
- €313 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. The provision is unchanged since the plant has not yet been definitively discontinued.
- €250 thousand for Guala Closures Deutschland and, specifically, the early retirement of administrative staff.

- €20 thousand for the reorganisation of Guala Closures Australia Pty Ltd commenced on March 29, 2021. This project includes the elimination of some positions as agreed with the trade unions.

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

Changes in the current provisions are as follows:

CURRENT PROVISIONS:

(€'000)	**June 30, 2021**
Opening balance	2,298
Exchange losses	11
Accruals	1,637
Utilisations	(1,378)
Closing balance	**2,568**

NON-CURRENT PROVISIONS:

(€'000)	**December 31, 2020**	**June 30, 2021**
Provision for legal disputes	85	56
Provision for agents' termination indemnity	156	141
Total non-current provisions	**241**	**196**

Changes in the non-current provisions are as follows:

NON-CURRENT PROVISIONS:

(€'000)	**June 30, 2021**
Opening balance	241
Accruals	5
Utilisations	(50)
Closing non-current provisions	**196**

(26) Equity attributable to the owners of the parent

At June 30, 2021, Guala Closures S.p.A. is a company limited by shares whose ordinary shares and market warrants have been traded on the Italian Stock Exchange (Mercato Telematico Azioniario) organised and managed by Borsa Italiana S.p.A., within the Star Segment, since August 6, 2018.
The paid-up and subscribed share capital of Guala Closures S.p.A. at December 31, 2020 was €68,907 thousand, divided into 67,184,904 shares, of which 62,049,966 class A ordinary shares, 4,322,438 special class B shares with multiple votes (class B special shares entitle the holders to three votes per share and upon any transfer of the class B special shares to a third-party, the class B special shares voting rights will be reduced from three votes per share to one vote per share) and 812,500 class C special shares without voting rights but convertible into ordinary shares at a conversion ratio of 4.5 ordinary shares for each C share.

The paid-up and subscribed share capital of Guala Closures S.p.A. at June 30, 2021 remained unchanged compared to December 31, 2020. However there is a change in the share composition based on the following events:

- On March 29, 2021 all the 812,500 class C shares, which do not have voting rights, were converted into 3,656,250 ordinary shares at a ratio of one class C share to 4.5 ordinary shares. Following the application date, the class C shares were removed from the MXT platform and replaced by the related ordinary shares.
- On June 1, 2021 all the 4,322,438 class B multiple-vote shares were converted into 4,322,438 ordinary shares at a ratio of one class B share to one ordinary share. Following the application date, the class B shares were removed from the MXT platform and replaced by the related ordinary shares.

As a result of these conversions, the parent's subscribed and paid-in share capital of €68,907 thousand comprises 70,028,654 ordinary shares.

There are also 19,367,393 market warrants, n. 2,500,000 sponsor warrants and 1,000,000 management warrants.

The sponsor warrants attached to the special shares and assigned free of charge in the ratio of two warrants for every special share subscribed are not traded on the Italian regulated stock market or abroad.

Each sponsor warrant gives its holder the right to subscribe an exchange share if the share's official price is equal to or higher than Euro 13 for at least one day in the exercise period, which is the period between the first trading date after the relevant transaction's effective date and the tenth anniversary of this date.

Furthermore, on August 6, 2018, 1,000,000 management warrants were issued. They can be exercised as of this date and will entitle holders to one management warrant share for every exchangeable management warrant, provided that the post-merger Guala Closures share's official price is equal to or higher than Euro 13 for at least one day in the exercise period, and against payment of a subscription price per share of Euro 13.

Sponsor and management Warrants will no longer be exercisable by their respective holders, except in case of re-listing of the Issuer's ordinary shares on the Italian Stock Exchange.

Sponsor and management Warrants that have not been exercised at the end of their vesting period (first trading date after the relevant transaction's effective date and the tenth anniversary of this date) irrevocably become ineffective and are taken to have been extinguished as explained in the related regulations to which reference is made.

At June 30, 2021, equity comprises unavailable reserves for market warrants of €19,367 thousand, of which €6,000 thousand was recognised as a decrease in the share premium reserve following the capital increase which took place on December 21, 2017 and the concurrent allocation of 10,000 thousand market warrants, and €9,367 thousand was taken as a reduction of other reserves, following the allocation of the residual 9,367,393 market warrants upon listing and the concurrent merger on August 6, 2018.

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 thus 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 by maintaining 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.

To achieve these objectives, the group strives to continuously make its operations more profitable.

The board of directors monitors the return on capital, being total equity, excluding non-controlling interests, and the amount of dividends to be distributed to holders of ordinary shares.

Based on available information updated to July 13, 2021, Special Packaging Solutions Investments S.a.r.l. holds 69,241,588 ordinary shares equal to 98.88% of the voting rights as a result of the public tender offer and share delisting and market warrants.

More information is available in the director's report section 2.1) Key events of the period and note 32) Events after the reporting period.

(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, 2020	Non-controlling interests (%) at June 30, 2021	Balance at December 31, 2020	Balance at June 30, 2021
Guala Closures Technologia Ukraine LLC	30.0%	30.0%	13,441	12,818
Guala Closures India Pvt Ltd.	5.0%	5.0%	3,043	3,084
Guala Closures de Colombia LTDA	6.8%	6.8%	628	514
Guala Closures Bulgaria A.D.	30.0%	30.0%	2,895	2,471
Guala Closures DGS Poland S.A.	30.0%	30.0%	17,948	17,839
Guala Closures BY LLC	30.0%	30.0%	186	192
Total			**38,143**	**36,917**

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, 2020 and June 30, 2021. 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, 2020		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			634			634		634		634
		-	**634**	-	-	**634**	-	**634**	-	**634**
Financial assets not measured at fair value (*)										
Trade receivables	17			92,620		92,620				-
Financial assets				532		532				-
Investments in associates	19			1,028		1,028		-		-
Cash and cash equivalents	16			63,882		63,882				-
		-	-	**158,062**	-	**158,062**	-	-	-	-
Financial liabilities measured at fair value										
Market warrants	23	(5,965)				(5,965)	(5,965)			(5,965)
Non-controlling investors' put options	23	(29,032)				(29,032)		-	(29,032)	(29,032)
		(34,997)	-	-	-	**(34,997)**	**(5,965)**	-	**(29,032)**	**(34,997)**
Financial liabilities not measured at fair value (*)										
Bank overdraft	23				(4,534)	(4,534)		(4,534)		(4,534)
Secured bank loans	23				(21,876)	(21,876)		(22,001)		(22,001)
Unsecured bank loans	23				(345)	(345)		(345)		(345)
Secured bond issues	23				(449,860)	(449,860)		(469,328)		(469,328)
Lease liabilities (IFRS 16)	23				(17,011)	(17,011)		-		-
Trade payables	24				(68,835)	(68,835)		-		-
Other financial liabilities	23				(1)	(1)		-		-
		-	-	-	**(562,462)**	**(562,462)**	-	**(496,208)**	-	**(496,208)**

June 30, 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										
		-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value (*)										
Trade receivables	17			110,880		110,880				-
Financial assets				497		497				-
Investments in associates	19			2,591		2,591		-		-
Cash and cash equivalents	16			43,440		43,440				-
		-	-	**157,407**	-	**157,407**	-	-	-	-
Financial liabilities measured at fair value										
Market warrants	23	(292)				(292)	(292)			(292)
Non-controlling investors' put options	23	(31,690)				(31,690)		-	(31,690)	(31,690)
		(31,982)	-	-	-	**(31,982)**	**(292)**	-	**(31,690)**	**(31,982)**
Financial liabilities not measured at fair value (*)										
Bank overdraft	23				(1,297)	(1,297)		(1,297)		(1,297)
Secured bank loans	23				(17,095)	(17,095)		(17,104)		(17,104)
Unsecured bank loans	23				(272)	(272)		(272)		(272)
Secured bond issues	23				(454,662)	(454,662)		(467,572)		(467,572)
Lease liabilities (IFRS 16)	23				(16,184)	(16,184)				-
Trade payables	24				(89,198)	(89,198)				-
Other financial liabilities	23				(2)	(2)				-
		-	-	-	**(578,709)**	**(578,709)**	-	**(486,244)**	-	**(486,244)**

(*) 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

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

Therefore, the following changes in fair value could significantly affect the parent's performance:
- a rise in the market warrants' fair values could lead to an increase in the parent's liabilities and financial expense;
- a reduction in the market warrants' fair values could lead to a decrease in the parent's liabilities and an increase in financial income.

These financial income and expense are accounting changes that do not lead to cash inflows or outflows.

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

Level 2

The following tables show the valuation techniques used in measuring Level 2 fair values.

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Secured bond issues Finance lease liabilities Financial assets	Discounted cash flows	Not 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 so such financial instrument was classified as level 2.
Furthermore, the fair value information for financial assets and financial liabilities not measured at fair value are not included as their carrying amount is a reasonable approximation of fair value.

Level 3

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-controlling interests' put options	Discounted cash flows: The fair value is determined considering the expected payment, capitalised at the reporting date, net of the expected dividend yields, discounted to present value using a credit risk-adjusted discount rate. The expected payment is calculated considering the fair value of the subsidiary or its equity based on the relevant contractual agreements with non-controlling investors.	• Expected cash flows in the 2021-2025 plan (€52 million); • inflation data about Ukraine, Bulgaria, Poland and the USA, used to calculate risk-free rates (1.7%-4.2%); • discount rate specific to the country in which the subsidiary operates, adjusted by the group's credit risk (8%-14%); • expected date of put option exercise based on demographic assumptions (age of retirement 67-74) and any change of control clauses.	The estimated fair value would increase if: • the gross operating profit was higher; • the net financial position was better; • the risk-free rate of the country decreased; • the expected dividend yield decreased; • the inflation rate differential between Ukraine and the USA increased the discount rate adjusted by the group's credit risk; • the expected inflation rate of the country in which the subsidiary is domiciled increased in the last year of the plan; • 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, 2020 and at the reporting date are shown below:

(€'000)	
December 31, 2020	29,032
Included in "financial expense" Net fair value gain (unrealised)	2,658
Balance at June 30, 2021	**31,690**

Sensitivity analysis

Reasonably possible changes at June 30, 2021 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%	2,640
	(1%)	(3,305)
Growth rate	1%	(1,576)
	(1%)	917
Expected date of put option exercise	+ 1 year	2,143
	- 1 year	(2,361)

(c) 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 2020 annual report.

(29) Commitments and guarantees

The change-of-control clause contained in the Existing RCF was triggered in March 2021 as a consequence of certain joint investment agreements, as described in the press release issued by SPSI on December 8, 2020.
The change-of-control provision included in the Indenture governing the 2024 Notes was triggered following SPSI's announcement of June 7, 2021.

For information about the commitments and guarantees referring to the Existing RCF and the 2024 Notes, reference should be made to the 2020 annual report.

As a consequence of the change of control, Guala Closures committed to enter into a refinancing process to redeem both the 2024 Notes and Existing RCF which was completed on June 24, 2021 with an agreement for the issuance of €500 million in aggregate principal amount of Guala Closures' 3¼% Senior Secured Notes due 2028 (the "Notes") and up to €80.0 million of New RCF.
After the completion of the refinancing process, Guala Closures S.p.A. issued notices of redemptions for both the 2024 Notes and Existing RCF to be redeemed on July 7, 2021.

For additional information, reference should be made to note 32) Events after the reporting period.

(30) Related party transactions

Transactions with the key management personnel are set out below:

(€'000)	**Costs recognised in the period**						Accrual for post-employment benefits at June 30, 2021	Other liabilities at June 30, 2021	**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	384	1,160	1,141	9	153	**2,848**	1	3,581	2,461

Special Packaging Solutions Investments S.à.r.l. is a related party of Guala Closures S.p.A. as it owns 96.66% of the share capital of Guala Closures S.p.A..

The transactions and relationships between this company and the group at June 30, 2021 are summarised below:

- eight members (three of whom are independent) appointed to the board of directors of Guala Closures S.p.A. on April 30, 2021;
- two standing members and a substitute member on the board of statutory auditors appointed on April 30, 2021.

Furthermore, an advisory service agreement contract with Investindustrial (owner of Special Packaging Solutions Investments S.à.r.l.) has been signed for €70 thousand in respect of the refinancing.

At December 31, 2020, other current assets of €151 thousand and in the first half of 2020, interest income of €1 thousand were recognised in relation to GCL Holdings S.à r.l..

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 34) Employee benefits of the 2020 consolidated financial statements for additional information.

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

(31) Contingent liabilities

In February 2020 Guala Closures do Brazil LTDA has been authorized by 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 revenues) for the period from July 2012 to June 2017 according to the decision taken by the STF in March 2017 with a recognition of a tax credit of R$ 2.2 million that was already accounted for in 2020 consolidated financial statement. 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 with a new decision on which stated that only those that filed its lawsuits until March 15, 2017 have the right to recover the amounts improperly paid over the last five years.

In light of the above, a possible risk has been identified in case the Tax Authorities open a rescission action against the Company within February 2022, due to the fact that the Company initiated its own legal process for the right to exclude the ICMS tax from the basis of the calculation of PIS and COFINS taxes only in June 2017. However, in the case this happens, the Company believe to have strong arguments to defend the position taken. The amount involved in the disputes totalled approximately R$ 2.0 million (July 2012 to March 15, 2017) at June 30, 2021 plus interest and penalties.

(32) Events after the reporting period

Refinancing

On July 7, 2021, Guala Closures fully redeemed the outstanding aggregate principal amount of the 2024 Notes of €455 million and repaid amounts outstanding under the Existing RCF using the proceeds from the offering of the aggregate principal amount of €500 million of Guala Closures' 3¼% Senior Secured Notes due 2028.

The Existing RCF was also cancelled and replaced by the New RCF. The Notes were issued pursuant to a New York law-governed indenture dated July 7, 2021 between, *inter alia*, by Guala Closures S.p.A., as the issuer, U.S. Bank Trustees Limited, as the trustee, U.S. Bank Trustees Limited, as security agent and representative of the holders of the Notes pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code, and Elavon Financial Services DAC, as paying agent, transfer agent and registrar (the "Indenture"). The New RCF and the Notes will expire respectively in January 2028 and June 2028.

Estimated transaction costs for the refinancing amount to around €18 million.

Key covenants are based on incurrence tests upon the occurrence of a specific event.

Delisting

On July 20, 2021, SPSI ended the squeeze-out procedure, purchasing all Guala Closures S.p.A. ordinary shares still outstanding on that date and becoming the sole shareholder of the company.

In light of the above, Borsa Italiana S.p.A. has ordered the withdrawal from listing of the ordinary shares and market warrants issued by Guala Closures with effect from July 20, 2021.

For more information on the Offers, as well as the consequent sell-out and squeeze-out procedures, please refer to the Offer Document as well as the press releases of June 11, July 14 and July 20, 2021 available on the www.spsi.it website.

Termination agreement signed with the Chief Marketing Officer (CMO) and M&A Group Director

On July 21, 2021, Mr. Paolo Ferrari, signed an agreement with the Group based on which he will leave his position as Chief Marketing Officer (CMO) and M&A Group Director on December 31, 2021, maintaining his roles and responsibilities until December 31, 2021.

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

September 8, 2021