SEPTEMBER 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





COMPANY OFFICERS

BOARD OF DIRECTORS

Chairman and CEO Gabriele Del Torchio

Director Francesco Bove
Director Giovanni Casali

Director Dante Razzano
Director Roberto Maestroni

Director Francisco Javier De Juan Uriarte

Director Marina Brogi
Director Chiara Palmieri
Director Raffaella Viscardi

BOARD OF STATUTORY AUDITORS

President Benedetta Navarra
Standing auditor Fioranna Vittoria Negri

Standing auditor Fioranna Vittoria Negr Standing auditor Massimo Gallina

Substitute auditor Mariateresa Salerno

Substitute auditor Ugo Marco Luca Maria Pollice

INDEPENDENT AUDITORS

KPMG S.p.A.



Contents

1. Directors' report

Guala Closures Group

- 1.1 Introduction
- 1.2 The group structure
- 1.3 Product lines and destination markets
- 1.4 Product and process research and innovation
- 1.5 Sustainability

Financial performance

2.1 Group performance

Key figures

Key events of the period

Financial performance

Reclassified statement of financial position

Current trading and outlook

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

Annexes to the directors' report

Condensed interim consolidated financial statements at September 30, 2021

- Statement of profit or loss for the nine months ended September 30, 2021
- Statement of profit or loss and other comprehensive income for the nine months ended September 30,
 2021
- Statement of profit or loss for the three months ended September 30, 2021
- Statement of profit or loss and other comprehensive income for the three months ended September 30, 2021
- Statement of financial position as at September 30, 2021
- Statement of cash flows for the nine months ended September 30, 2021
- Statement of changes in equity for the nine months ended September 30, 2021
- Notes to the condensed interim consolidated financial statements at September 30, 2021

GENERAL INFORMATION

- · (1) General information
- · (2) Accounting policies
- · (3) Changes to standards
- · (4) Operating segments
- \cdot (5) Acquisitions of subsidiaries, business units and non-controlling interests

STATEMENT OF PROFIT OR LOSS

- · (6) Net revenue
- · (7) Other operating income
- · (8) Internal work capitalised
- · (9) Costs for raw materials
- · (10) Costs for services
- · (11) Personnel expense
- · (12) Other operating expense
- · (13) Financial income
- · (14) Financial expense
- · (15) Income taxes

STATEMENT OF FINANCIAL POSITION

- · (16) Cash and cash equivalents
- · (17) Trade receivables
- · (18) Inventories
- · (19) Investments in associates
- · (20) Property, plant and equipment
- · (21) Right-of-use assets
- · (22) Intangible assets
- · (23) Current and non-current financial liabilities
- · (24) Trade payables
- (25) Provisions
- · (26) Equity attributable to the owners of the parent
- · (27) Equity attributable to non-controlling interests

OTHER INFORMATION

- · (28) Fair value of financial instruments and sensitivity analysis
- · (29) Commitments and guarantees
- · (30) Related party transactions
- · (31) Contingent liabilities
- · (32) Events after the reporting period



1. Directors' report





Guala Closures Group

1.1 Introduction















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;

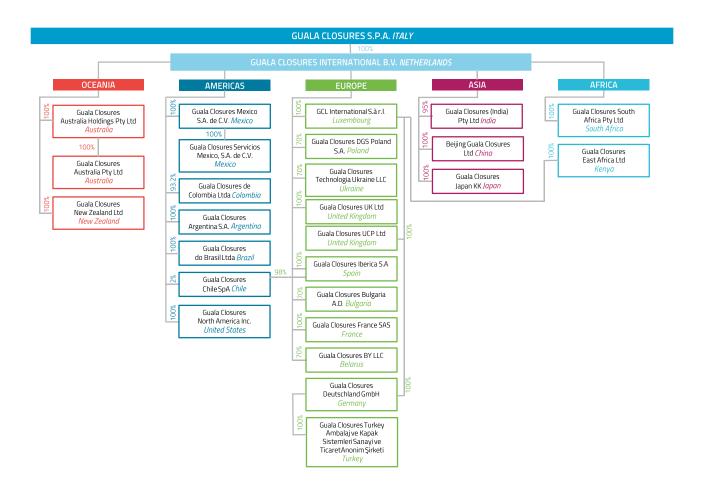
Protection and well-being of the environment: occupational health and safety, for products and the impact on local communities;

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 September 30, 2021 (companies consolidated on a line-by-line basis):



The group structure changed in the first nine months of 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 took place in the first nine months of 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 nine months of 2021 continued to consolidate 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 are consistently found throughout all the projects and requests of our customers.

New products and innovation in materials

The great work in the premium and super-premium closures industry in the third quarter saw many projects move from the study and design phases to the customer testing phases, preparing for marketing in the next year. The materials used in these projects are many, from wood to filled plastics to be decorated with innovative painting and metallisation processes; the choice is generally based on the identity of the individual brands and the message associated with the packaging design.

The development of these designs is accompanied by the search for flexible production processes that can sustainably meet the increasing demand for dedicated products even in small volumes.

Sustainability is part of all requests for the development of new products; the Group has taken a leadership position in the market through the new Blossom® range products, which represent variations on the theme of sustainability applied to different markets, from spirits to wine and mineral waters; with this offer, the Group has built a reputation as a partner in transforming market and customer requests into products.

Guala Closures Group maintains a competitive and qualitative development thanks to the innovative solutions at all the R&D centres.



NFC e-closures and other technologies

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

The systems based on NFC and QR (or coded liners) guarantee authenticity to the consumer 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 of improving the production process and process efficiency (e.g., multi-injection process and flexible automation).



1.5 Sustainability

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

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

A web-based lifecycle assessment software has been developed to interpret and evaluate the environmental impacts of 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 based on their environmental profiles.

With regard to 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 for half a year with energy from renewable sources. Including Jerez, Guala Closures Group has six plants that rely on energy from renewable sources, the others are Olerdola, Auckland, San Paolo, Termoli and Magenta.

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

A survey to investigate the understanding of and agreement with the topics covered over time by the Sustainability Program "Working together for sustainable growth" was launched in July. Participation has been really high, reaching 62% of Group employees. The results of the survey will be shared with all the countries during the fourth quarter, and they will be helpful for the drafting of the new sustainability program 2022 – 2030.

Confirming the Group's commitment to offsetting its emissions, 96,000 Carbon Credits were purchased during the first nine months of the year.

During the period, the reforestation program also continued: in India, in the Gujarat region, 35,000 trees were planted, contributing not only to CO2 sequestration in the area, but also to the subsistence and food diversification of local communities.

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

In September, Guala Closures joined the UN Global Compact, thus confirming the agreement with, and support and application of its Ten Principles.

The United Nations Global Compact is the largest corporate strategic initiative in the world, with the aim of aligning strategies and operations with universal principles on human rights, labour, the environment, and anti-corruption.



Financial performance

2.1 Group performance

Key figures

	F	Reported figures			Like-for-like basis ¹		
	9M 2020	9M :	2021	9M 2020	1 2020 9M 2021		
(€ mln)		Current exchange rates	Constant exchange rate ²		Current exchange rates	Constant exchange rate ²	
Revenue ² % variation	417.2	474.3 <i>13.7%</i>	482.4 <i>15.6%</i>	417.2	474.1 <i>13.6%</i>	482.2 <i>15.6%</i>	
Adjusted gross operating profit (Adjusted EBITDA) ² % <i>variation</i>	70.9	82.7 <i>16.6%</i>	85.4 20.5%	70.9	83.3 <i>17.5%</i>	86.0 <i>21.4%</i>	
Adjusted gross operating profit (Adjusted EBITDA) margin	17.0%	<i>17.</i> 4%	17.7%	17.0%	17.6%	17.8%	

	September	December	September
(€ mln)	30, 2020	31, 2020	30, 2021
Net financial indebtedness ³	485.4	464.2	478.3

Employees 4,880

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 9M 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 September 30, 2020 have been restated to be consistent with the classification used as at September 30, 2021.

The main economic and financial indicators of the Group in the first nine months of 2021 show a positive trend with revenue up 13.7% compared to the first nine months of 2020 and an Adjusted EBITDA margin of 17.4%, improving compared to the 17.0% margin of the same period of the previous year. On a like-for-like basis the adjusted EBITDA margin in the first nine months of 2021 would have been 17.6%.

Net financial indebtedness at September 30, 2021 (€478.3 million) is higher than the value at December 31, 2020 (€464.2 million) mainly due to the business seasonality, but lower than at the end of September 2020 (€485.4 million).



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

The increase in adjusted gross operating profit (adjusted EBITDA) in the first nine months of 2021 compared to the first nine months of 2020 was achieved thanks to the positive impact of the sales volume/mix, the selling price increase and other mix and cost changes, partially offset by the negative impacts of the increase in raw materials costs.

In the first nine months of 2021, net financial indebtedness increased by €14.1 million from €464.2 million at December 31, 2020 to €478.3 million at September 30, 2021. This is €8.8 million lower than the increase recorded in the first nine months of 2020 (€22.9 million) thanks to lower cash flows used for investing activities (€5.9 million) and for financing activities (€5.1 million), partially offset by €2.2 million lower cash flow generated by operating activities.

Key events of the period

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

MERGERS & ACQUISITIONS:

Subscription of SharpEnd Partnership Ltd. capital

On February 26, 2021, the Luxembourg subsidiary GCL International S.à.r.I. 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).

CHANGE IN CONTROL AND DELISTING:

- 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).

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 about 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.

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.

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 centre located in Foetz (Luxembourg). At the date of this report, the ongoing reorganisation includes the transfer of some people to other locations. This project's estimated cost is approximately €0.5 million, which has been provided for on September 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 "2024 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 2024 RCF would expire on February 28, 2024.

On October 3, 2018, Guala Closures issued senior secured notes due in 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 including, *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 2024 RCF and the 2024 Notes Indenture contain change of control clauses. The change of control under the 2024 RCF is triggered when a person, other than certain specified persons under the 2024 RCF, controls more than 35% of the voting stock of Guala Closures. The 2024 Notes Indenture contained 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 2024 RCF upon the occurrence of a change of control (under the 2024 Notes Indenture and/or the 2024 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 "2028 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 2024 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 2024 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 2028 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 2028 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 2028 RCF. The 2028 RCF will expire January 7, 2028.

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 2024 RCF using the proceeds from the offering of the aggregate principal amount of €500 million of Guala Closures' 3½% Senior Secured Notes due in 2028.

Non-recurring financial expense of €7.7 million due to unamortised transaction costs was recognised in June and July 2021 following the issue of the notice of redemption for the 2024 Notes and 2024 RCF.

The 2024 Notes and amounts outstanding under the 2024 RCF were subsequently redeemed and/or repaid, and the 2024 RCF was cancelled, in each case, on July 7, 2021 following the issuance of €500 million in aggregate principal amount of Guala Closures' 3½% Senior Secured Notes due in 2028 (the "2028 Notes").

Estimated transaction costs for the refinancing amount to around €17 million.

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

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.

Resignation of Directors and new appointments

On September 8, 2021, Marco Giovannini resigned from the Board of Directors of Guala Closures S.p.A..

On October 26, 2021, the Board of Directors took note of the resignation of Chiara Arisi from the Board of Directors of Guala Closures S.p.A., presented on October 19, 2021. On the same date, the Board of Directors appointed Francesco Bove and Giovanni Casali as Directors.

Cancellation of committees

On September 8, 2021, given the reduced organisational needs requested of Guala Closures S.p.A. following the delisting, the Board of Directors dissolved and revoked the Control, risk and sustainability committee and the Appointment and remuneration committee



Financial performance

ANALYSIS OF THE FINANCIAL PERFORMANCE

The table below summarises the financial performance of the Guala Closures Group for the first nine months of 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 nine months of 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	9M 2020 restated		9M 2021	
	(€'000)	% of net revenue	(€'000)	% of net revenue
Net revenue	417,198	100.0%	474,280	100.0%
Change in finished goods and semi-finished products	9,035	2.2%	5,743	1.2%
Other operating income	3,226	0.8%	4,213	0.9%
Internal work capitalised	3,653	0.9%	3,505	0.7%
Costs for raw materials	(181,520)	(43.5%)	(210,897)	(44.5%)
Costs for services	(81,083)	(19.4%)	(89,194)	(18.8%)
Personnel expense	(94,911)	(22.7%)	(102,199)	(21.5%)
Other operating expense	(6,341)	(1.5%)	(6,016)	(1.3%)
Impairment losses	(4,001)	(1.0%)	(1,615)	(0.3%)
Gains on sales of equity investments	2,830	0.7%	-	-
Gross operating profit (EBITDA)	68,086	16.3%	77,820	16.4%
Amortisation and depreciation	(47,710)	(11.4%)	(47,054)	(9.9%)
Operating profit (EBIT)	20,376	4.9%	30,766	6.5%
Financial income	13,035	3.1%	11,850	2.5%
Financial expense	(40,883)	(9.8%)	(35,811)	(7.6%)
Net financial expense	(27,849)	(6.7%)	(23,960)	(5.1%)
Profit (loss) before taxation	(7,473)	(1.8%)	6,806	1.4%
Income taxes	(4,227)	(1.0%)	(6,910)	(1.5%)
Profit (loss) for the period	(11,700)	(2.8%)	(105)	(0.0%)
Attributable to:				
- the owners of the parent	(17,550)	(4.2%)	(6,355)	(1.3%)
- non-controlling interests	5,850	1.4%	6,251	1.3%

Note:

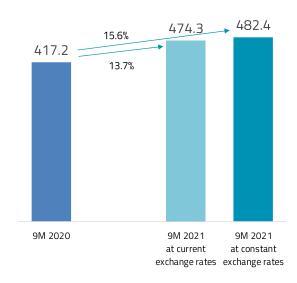
- Please refer to the paragraph 'Alternative performance indicators and methodology underlying revenues and adjusted gross operating profit bridges' for the calculation of the adjusted gross operating profit (Adjusted EBITDA) and for the details of the construction of the revenue and adjusted EBITDA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



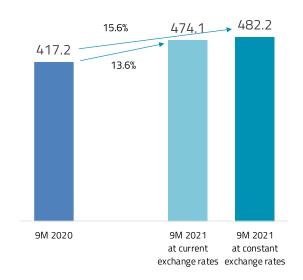
NET REVENUE

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

REPORTED FIGURES



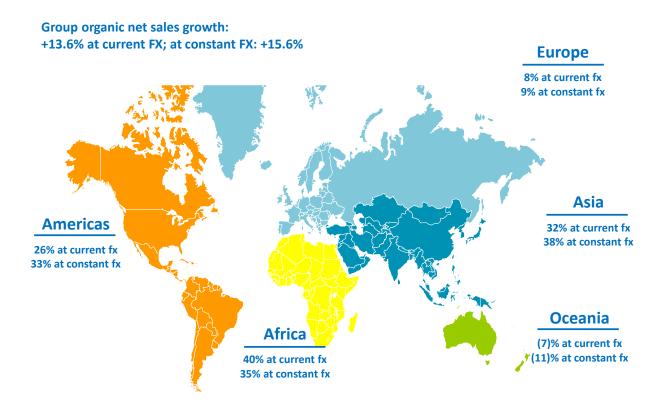
RESTATED ON A LIKE-FOR-LIKE BASIS



In the first nine months of 2021, net revenue totalled €474.3 million, up €57.1 million (+13.7%) on the first nine months of 2020 at current exchange rates and up €65.2 million (+15.6%) at constant exchange rates.

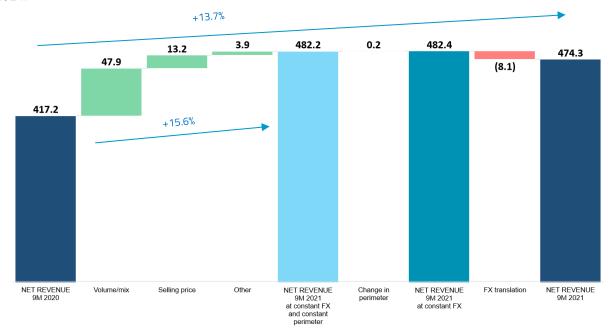
The negative translation impact on revenue for the first nine months of 2021 was €8.1 million following the appreciation of the Euro against almost all currencies with which the group operates.

The contribution to net revenue coming from the change in the consolidation scope compared to the first nine months of 2020 is immaterial as the consolidation of Closurelogic's business has been offset by the sale of GCL Pharma.





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



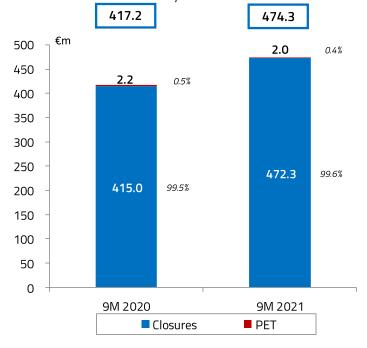
The Group reported an increase in volumes/mix of €47.9 million in the first nine months of 2021 and a benefit of €13.2 million deriving from the price increase policy.

Net revenue increased in almost all the regions in which the Group operates. In particular, the increase in sales volumes/mix is driven by the development in the Americas, both in spirits and wine segment, and the business recovery in Asia, Europe and Africa compared to the first nine months of 2020, which were 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 impacted the Group activities in Italy, Spain and Germany.

NET REVENUE BY DIVISION

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





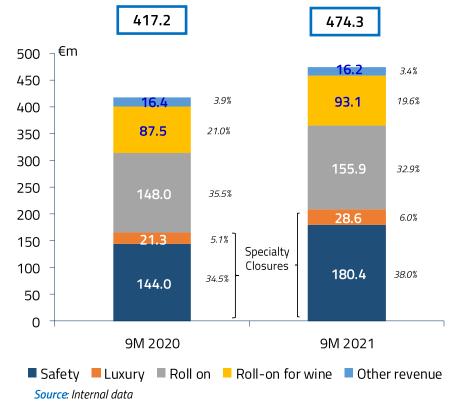
As the group's core business, the "Closures" division accounts for over 99% of net revenue in the first nine months of 2021. It is specialised in the production of safety closures, customised luxury closures, roll-on closures for wine, roll-on closures and other revenue.

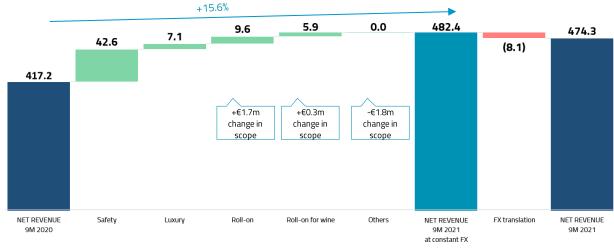
The net revenue of the Closures division increased by €57.3 million (+13.8%) from €415.0 million in the first nine months of 2020 to €472.3 million in the same period of 2021.

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:







(€ mln)	9M 2020	9M 2021	2021 diff. % variation		iation	
			Current	Constant	Current	Constant
			exchange rates	exchange rates	exchange rates	exchange rates
Safety Specialty	144.0	180.4	36.4	42.6	25.3%	29.6%
Luxury <u>Closures</u>	21.3	28.6	7.4	7.1	34.6%	33.3%
Roll on	148.0	155.9	7.9	9.6	5.3%	6.5%
Roll-on for wine	87.5	93.1	5.7	5.9	6.5%	6.8%
Other revenue	16.4	16.2	(0.2)	0.0	(1.4%)	0.1%
Total net revenue	417.2	474.3	57.1	65.2	13.7%	15.6%

Revenue from <u>safety</u> closures increased by €36.4 million from €144.0 million in the first nine months of 2020 (34.5% of net revenue) to €180.4 million in the first nine months of 2021 (38.0%), despite the negative translation impact of €6.2 million. At constant exchange rates, net revenue would have increased by €42.6 million or 29.6% compared to the first nine months of 2020, mainly due to the heavy impact of the Covid-19 pandemic in the first nine months of 2020.

Revenue from <u>luxury</u> closures increased by \in 7.4 million from \in 21.3 million in the first nine months of 2020 (5.1% of net revenue) to \in 28.6 million in the first nine months of 2021 (6.0%), of which \in 0.3 million due to the positive translation impact.

At constant exchange rates, net revenue would have increased by €7.1 million, or 33.3%, compared to the first nine months of 2020, confirming the trend of higher demand for this type of closure mainly in the Mexican market.

Revenue from <u>roll-on</u> closures increased by €7.9 million from €148.0 million in the first nine months of 2020 (35.5% of net revenue) to €155.9 million in the first nine months of 2021 (32.9%), despite the negative translation impact of €1.7 million.

At constant exchange rates, net revenue would have increased by €9.6 million or 6.5% compared to the first nine months of 2020 mainly due to the fact that first nine months of 2020 were significantly marred by the consequences of the Covid-19 pandemic despite the negative performance in the water & beverages market, which is still affected by the suspension of commercial activities.

Revenue from <u>roll-on closures for wine</u> increased by €5.7 million from €87.5 million in the first nine months of 2020 (21.0% of net revenue) to €93.1 million in the first nine months of 2021 (19.6%), net of the negative translation impact of €0.2 million.

At constant exchange rates, net revenue would have increased by €5.9 million, or 6.8%, compared to the first nine months of 2020 due to the general recovery of the business in all the markets in which the Group operates.

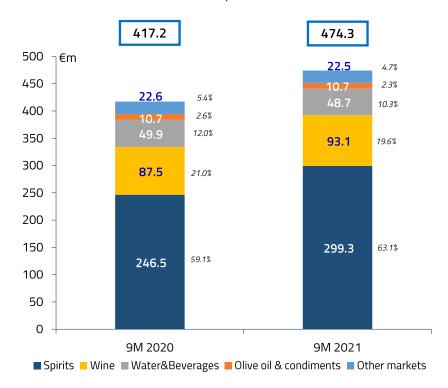
Other revenue decreased by €0.2 million from €16.4 million in the first nine months of 2020 (3.9% of net revenue) to €16.2 million in the first nine months of 2021 (3.4%), with a negative translation impact of €0.2 million. At constant exchange rates, other revenue would have been in line with the first nine months of 2020.

The item includes net revenue realised in 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.

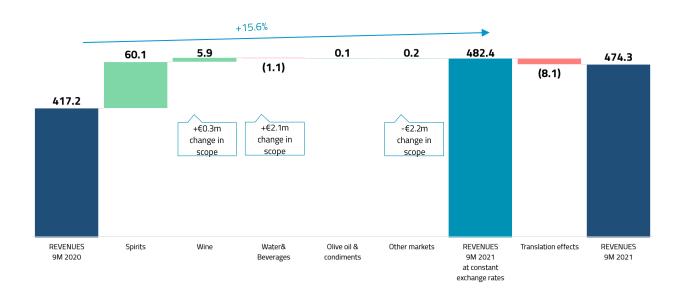


NET REVENUE BY DESTINATION MARKET

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



Source. Internal data



(€ mln)	9M 2020	9M 2020 9M 2021 delta % var		delta		iation
			Current	Constant	Current	Constant
			exchange rates	exchange rates	exchange rates	exchange rates
Spirits	246.5	299.3	52.8	60.1	21.4%	24.4%
Wine	87.5	93.1	5.7	5.9	6.5%	6.8%
Water & beverages	49.9	48.7	(1.3)	(1.1)	(2.6%)	(2.1%)
Olive oil & condiments	10.7	10.7	0.0	0.1	0.3%	0.5%
Other revenue	22.6	22.5	(0.1)	0.2	(0.5%)	0.8%
Total net revenue	417.2	474.3	57.1	65.2	13.7%	15.6%



Net revenue related to the <u>spirits market</u> increased by €52.8 million from €246.5 million in the first nine months of 2020 (59.1% of net revenue) to €299.3 million in the first nine months of 2021 (63.1%), despite a negative translation impact of €7.4 million.

At constant exchange rates, the net revenue of this segment would have increased by €60.1 million (24.4%) compared to the same period of 2020 thanks to the business recovery in 2021.

The <u>wine market</u> is the group's second largest destination market and generated 19.6% of net revenue in the first nine months of 2021.

Revenue from the sale of wine closures rose €5.7 million from €87.5 million in the first nine months of 2020 (21.0% of net revenue) to €93.1 million in the first nine months of 2021 (19.6%), including €0.2 million of negative translation impact.

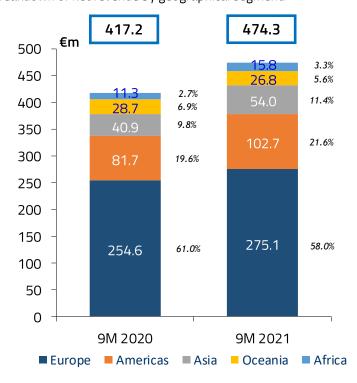
At constant exchange rates, net revenue would have increased by €5.9 million, or 6.8%, compared to the first nine months of 2020 due to the general recovery of the business in all the markets in which the Group operates.

The <u>water & beverages market</u> decreased by \leq 1.3 million from \leq 49.9 million in the first nine months of 2020 (12.0% of net revenue) to \leq 48.7 million in the first nine months of 2021 (10.3%), with a negative translation impact of \leq 0.2 million. At constant exchange rates, this segment's net revenue would have decreased by \leq 1.1 million (-2.1%) compared to the first nine months of 2020. This market is the most affected by the suspension of commercial activities caused by the Covid-19 pandemic.

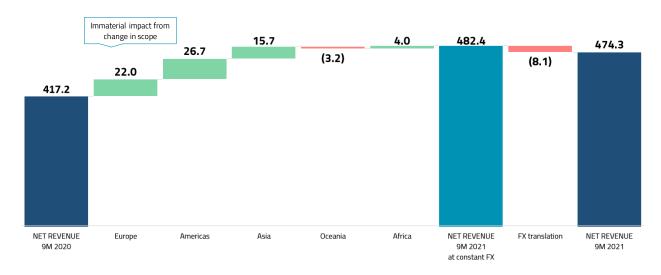


NET REVENUE BY GEOGRAPHICAL SEGMENT

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:



(€ mln)	9M 2020	9M 2021	d	iff.	% var	iation
			Current	Constant	Current	Constant
			exchange rates	exchange rates	exchange rates	exchange rates
Europa	254.6	275.1	20.5	22.0	8.0%	8.7%
Americas	81.7	102.7	20.9	26.7	25.6%	32.7%
Asia	40.9	54.0	13.1	15.7	32.0%	38.4%
Oceania	28.7	26.8	(1.9)	(3.2)	(6.7%)	(11.3%)
Africa	11.3	15.8	4.5	4.0	40.0%	35.3%
Total net revenue	417.2	474.3	57.1	65.2	13.7%	15.6%



Net revenue from operations in Europe increased by €20.5 million from €254.6 million in the first nine months of 2020 (61.0% of net revenue) to €275.1 million in the first nine months of 2021 (58.0%), with a negative translation impact of €1.5 million.

At constant exchange rates, the net revenues of this area would have increased by €22.0 million (+8.7%) compared to the first nine months of 2020 mainly driven by the increase in the UK, Italy and Poland.

Net revenue from operations in the Americas increased by €20.9 million from €81.7 million in the first nine months of 2020 to €102.7 million in the same period of 2021 (19.6% and 21.6% of net revenue, respectively), despite the negative translation impact of €5.8 million recorded mainly in Argentina, the USA and Brazil.

At constant exchange rates, the net revenue of this region would have increased by €26.7 million (+32.7%) compared to the first nine months of 2020 mainly driven by the increase in Argentina, USA and Mexico.

Net revenue from operations in Asia went from €40.9 million in the first nine months of 2020 (9.8% of net revenue) to €54.0 million in the first nine months of 2021 (11.4%), an increase of €13.1 million, despite the negative translation impact of €2.7 million.

At constant exchange rates, this region's net revenue would have increased by €15.7 million (+38.4%) compared to the first nine months of 2020 mainly driven by the increase in India which was heavily impacted by the lockdown in Q2 2020. Net revenue also increased in China compared to the first nine months of 2020.

Net revenue from operations in Oceania decreased by €1.9 million from €28.7 million in the first nine months of 2020 (6.9% of net revenue) to €26.8 million in the first nine months of 2021 (5.6%), with a positive translation impact of €1.3 million.

At constant exchange rates, the net revenue of this region would have decreased by €3.2 million (-11.3%) 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 €4.5 million from €11.3 million in the first nine months of 2020 (2.7% of net revenue) to €15.8 million in the first nine months of 2021 (3.3%), including a positive translation impact of €0.5 million, driven by the increase in South Africa which was heavily impacted by 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 €1.0 million, from €3.2 million in the first nine months of 2020 (0.8% of net revenue) to €4.2 million in the first nine months of 2021 (0.9%), mainly due to the increases for insurance refunds and government grants.

INTERNAL WORK CAPITALISED

This caption decreased by €0.2 million from €3.7 million in the first nine months of 2020 (0.9% of net revenue) to €3.5 million in the first nine months of 2021 (0.7%). 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 €29.4 million from €181.5 million in the first nine months of 2020 (43.5% of net revenue) to €210.9 million in the first nine months of 2021 (44.5%), due to increase in the cost of strategic raw materials (plastic and aluminium). The increase in aluminium costs was mitigated in the first nine months of 2021 by the positive contribution of hedges entered into in 2020.

COSTS FOR SERVICES

Costs for services increased by €8.1 million from €81.1 million in the first nine months of 2020 (19.4% of net revenue) to €89.2 million in the first nine months of 2021 (18.8%). Compared to the corresponding period of the previous year, energy costs increased due to higher production volumes during the first nine months of 2021 compared to the first nine months of 2020 impaired by the Covid-19 pandemic.

PERSONNEL EXPENSE

Personnel expense increased by €7.3 million from €94.9 million in the first nine months of 2020 (22.7% of net revenue) to €102.2 million in the first nine months of 2021 (21.5%), due to increased activities during the first nine months of 2021 compared to the first nine months of 2020 impaired by the Covid-19 pandemic.

OTHER OPERATING EXPENSE

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

(€'000)	9M 2020	9M 2021	delta
Accruals to provisions	1,061	1,399	338
Taxes and duties	1,619	1,471	(148)
Use of third-party assets	1,527	1,404	(124)
Impairment losses on trade receivables and contract assets	484	131	(353)
Other charges	1,650	1,611	(39)
Total	6,341	6,016	(325)

Other operating expense decreased by \leq 0.3 million from \leq 6.3 million in the first nine months of 2020 (1.5% of net revenue) to \leq 6.0 million in the first nine months of 2021 (1.3%).

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



IMPAIRMENT LOSSES

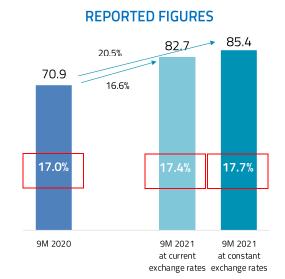
They decreased by €2.4 million from €4.0 million in the first nine months of 2020 (1.0% of net revenue) to €1.6 million in the first nine months of 2021 (0.3%). Impairment losses in the first nine months of 2021 mainly included €1.4 million for the impairment losses on the group's proprietary patents (€4.0 million in the first nine months of 2020).

ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)

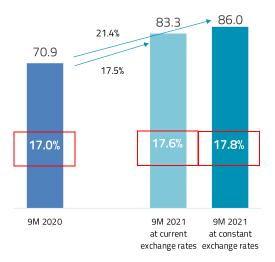
In the first nine months of 2021, the adjusted gross operating profit (adjusted EBITDA) amounts to €82.7 million, up €11.8 million (+16.6%) on the first nine months of 2020 (€70.9 million), despite the €2.8 million decrease due to the negative translation impact following the appreciation of the Euro against almost all currencies with which the group operates.

At constant exchange rates, the adjusted EBITDA would have been €85.4 million, up by €14.6 million (+20.5%) compared to the first nine months of 2020.

The following charts show the trend in the adjusted EBITDA for the first nine months 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 scope.





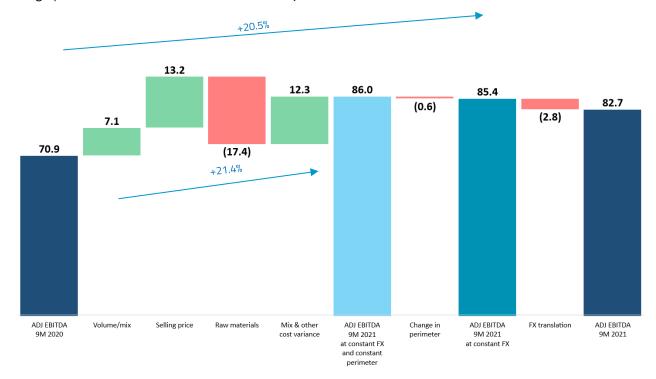


Note: The percentages shown in the boxes indicate the adjusted EBITDA as a percentage of revenue.

The adjusted EBITDA margin increased from 17.0% in the first nine months of 2020 to 17.4% in the first nine months of 2021. On a like-for-like basis the adjusted EBITDA margin in the first nine months of 2021 would have been 17.6%.



The graph below shows the difference between adjusted EBITDA in the first nine months of 2020 and 2021.



The increase in adjusted EBITDA in the first nine months of 2021 compared to the first nine months of 2020 was equal to 20.5% at constant exchange rates and 21.4% at constant exchange rates and on a like-for-like basis. The positive impacts deriving from the sales volumes/mix (€7.1 million), the increase in sales prices (€13.2 million) and in change in mix and other costs (€12.3 million) due to plant efficiencies were partially offset by the increase in raw material costs (-€17.4 million).

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

AMORTISATION AND DEPRECIATION

Amortisation and depreciation decreased by €0.6 million from €47.7 million in the first nine months of 2020 (11.4% of net revenue) to €47.1 million in the same period of 2021 (9.9%).

FINANCIAL INCOME AND EXPENSE

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

(€'000)	9M 2020	9M 2021	delta
Net interest expense	(15,278)	(14,803)	474
Net exchange losses	(9,731)	(3,705)	6,026
Net fair value gains (losses) on market warrants	(1,937)	5,961	7,898
Net fair value gains on currency derivatives	341	(O)	(341)
Net fair value gains (losses) on financial liabilities to non-			
controlling investors	105	(3,321)	(3,426)
Other net financial expense	(1,350)	(372)	978
Financial expense for refinancing	-	(7,720)	(7,720)
Net financial expense	(27,849)	(23,960)	3,888



Net financial expense decreased by €3.9 million, from €27.8 million in the first nine months of 2020 to €24.0 million in the first nine months of 2021.

The €3.9 million reduction in net financial expense is mainly due to the €7.9 million positive effect of the change in the FV of market warrants, the €6.0 million reduction in net exchange rate losses and lower net interest expense for €0.5 million, partially offset by the extraordinary financial expense for refinancing (€7.7 million) and by the negative effects of the financial liabilities to non-controlling investors (€3.4 million).

The extraordinary financial expense for refinancing refers to the unamortised transaction costs reversal as a consequence of the Group's refinancing in July 2021.

INCOME TAXES

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

(€'000)	9M 2020	9M 2021	delta
Current taxes	(11,560)	(12,533)	(973)
Changes in deferred taxes	7,333	5,623	(1,710)
Total income taxes	(4,227)	(6,910)	(2,683)

Income taxes increased by €2.7 million from €4.2 million in the first nine months of 2020 to €6.9 million in the same period of 2021.

This increase is attributable for €1.0 million to the increase in current taxes and for €1.7 million to the reduction in deferred tax income.

LOSS FOR THE PERIOD

The loss for the first nine months of 2021 amounts to €0.1 million, which is an improvement of €11.6 million on the loss of €11.7 million in the first nine months of 2020.

This improvement is mainly due to the higher gross operating profit (EBITDA) ($+ \le 9.7$ million), the lower net financial expense ($+ \le 3.9$ million) and the lower D&A ($+ \le 0.6$ million), partly offset by higher income taxes (≤ 2.7 million).



Reclassified statement of financial position

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

(€'000)	December, 31 2020	September 30, 2021
Intangible assets	830,239	819,977
Property, plant and equipment	220,793	218,080
Right-of-use assets	16,516	15,362
Net working capital	123,806	153,697
Investments in associates	1,028	2,531
Derivative assets	634	-
Employee benefits	(9,631)	(9,483)
Other net liabilities	(103,215)	(100,860)
Net invested capital	1,080,170	1,099,304
Financed by:		
Net financial liabilities	476,084	492,263
Financial liabilities - IFRS 16 effects	17,011	15,863
Financial liabilities - non-controlling investors	29,032	32,353
Market warrants	5,965	4
Cash and cash equivalents	(63,882)	(62,177)
Net financial indebtedness	464,210	478,306
Equity	615,959	620,998
Sources of financing	1,080,170	1,099,304

INTANGIBLE ASSETS

The \leq 10.3 million decrease in intangible assets compared to December 31, 2020 mainly refers to the amortisation for the period (\leq 14.4 million) and the impairment losses on the group's proprietary patents to adjust them to their value in use (\leq 1.4 million), partly offset by the net investments for the period (\leq 1.2 million) and the positive translation effect (\leq 4.4 million).

PROPERTY, PLANT AND EQUIPMENT

The €2.7 million decrease in property, plant and equipment compared to December 31, 2020 mainly refers to the depreciation for the period (€28.8 million), partly offset by the net investments for the period (€21.8 million) and the positive translation effect (€4.4 million).

Net capital expenditure of the first nine months of 2021, amounting to €21.8 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 September 30, 2021, right-of-use assets amount to €15.4 million and mainly relate to the leases of the facilities where the group operates.

The €1.2 million decrease in right-of-use assets compared to December 31, 2020 mainly refers to the depreciation for the period (€3.8 million), partly offset by the net investments for the period (€3.0 million).

The €3.0 million increase for the period mainly refers to the building of Guala Closures East Africa Ltd used for its operations.

NET WORKING CAPITAL

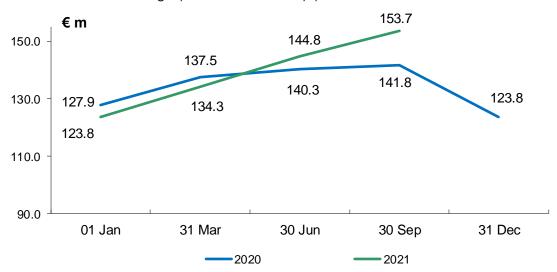
The table below provides a breakdown of net working capital:

(€'000)	September 30, 2020	December 31, 2020	September 30, 2021
Inventories	112,974	100,021	122,177
Trade receivables	101,001	92,620	122,262
Trade payables	(72,160)	(68,835)	(90,742)
Net working capital (*)	141,815	123,806	153,697

^(*) 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:

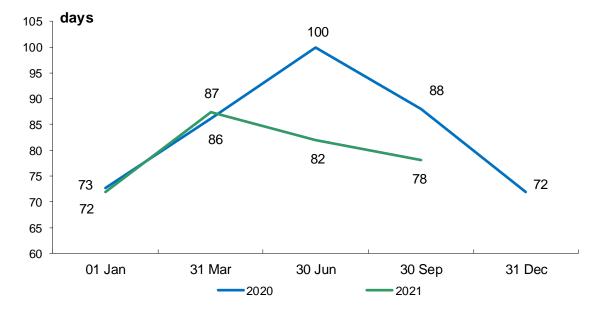


Net working capital at September 30, 2021 amounts to €153.7 million, with an increase of €29.9 million compared to December 31, 2020 in line with the business' seasonality.



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

Days	September 30, 2020	December 31, 2020	September 30, 2021
Inventories	70	58	62
Trade receivables	63	54	62
Trade payables	(45)	(40)	(46)
Net working capital days	88	72	78



Compared to December 31, 2020, net working capital days increased by six days at the end of September 2021, as a result of the seasonality of the group's business. Such increase is much lower than the increase recorded in the first nine months of 2020 (+15 days compared to the previous year end), when, due to Covid-19, the group increased inventories in the second quarter, 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 September 30, 2021 for €31.8 million, compared to €26.7 million at December 31, 2020 and €19.2 million at September 30, 2020. The low amount of factoring as at September 30, 2020 was due to the significant reduction in net revenue in 3Q 2020 caused by the Covid-19 pandemic.



EMPLOYEE BENEFITS

Employee benefits of €9.5 million at September 30, 2021 show a decrease of €0.1 million compared to December 31, 2020.

OTHER NET LIABILITIES

Other net liabilities amount to €100.9 million at September 30, 2021, compared to €103.2 million at December 31, 2020

At September 30, 2021, this caption mainly consists of €92.3 million deferred tax liabilities (mostly attributable to the impact of the 2018 PPA procedure on Group assets), partly offset by deferred tax assets of €23.4 million.

EQUITY

The table below shows a breakdown of equity:

(€'000)	December, 31 2020	September 30, 2021
Equity attributable to the owners of the parent	577,817	581,449
Equity attributable to non-controlling interests	38,143	39,549
Equity	615,959	620,998

The change in equity in the first nine months of 2021 is due to the profit for the period and the impact of change in the translation reserve, 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	September 30, 2021
Net financial liabilities to third parties	476,084	492,263
Financial liabilities - IFRS 16 effects	17,011	15,863
Financial liabilities to non-controlling investors	29,032	32,353
Market warrants	5,965	4
Cash and cash equivalents	(63,882)	(62,177)
Net financial indebtedness	464,210	478,306

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 nine months of 2021, net financial indebtedness increased by €14.1 million from €464.2 million at December 31, 2020 to €478.3 million at September 30, 2021, mainly as the result of higher cash flows used in investing activities (€23.3 million) and in financing activities (€23.3 million), partially offset by the cash flows generated by operating activities (€32.5 million).

This change is €8.8 million lower than the increase recorded in the first nine months of 2020 (€22.9 million) thanks to lower cash flows used for investing activities (€5.9 million) and for financing activities (€5.1 million), partially offset by €2.2 million lower cash flow generated by operating activities.

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



RECLASSIFIED STATEMENT OF CHANGES IN NET FINANCIAL INDEBTEDNESS

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

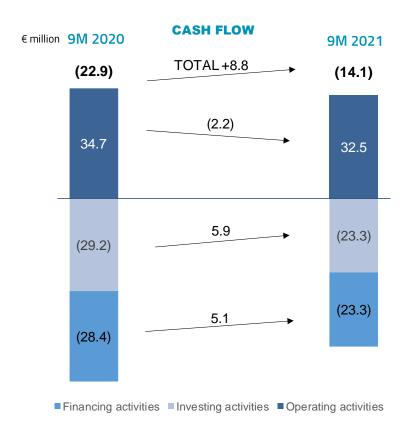
(€'000)	9M 2020 (*)	9M 2021
A) Opening net financial indebtedness	(462,511)	(464,210)
Gross operating profit	68,086	77,820
Gains on sales of equity investments	(2,830)	-
Net gains on sale of non-current assets	(3)	(576)
Change in net working capital	(24,434)	(27,215)
Other operating items	5,298	(3,167)
Taxes	(11,422)	(14,365)
B) Net cash flows from operating activities	34,694	32,497
Capex	(23,012)	(23,653)
Acquisition of Closurelogic's business (Germany)	(12,187)	-
Acquisition of Closurelogic's business (Turkey)	(171)	-
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	(29,178)	(23,261)
Increases in right-of-use assets	(3,452)	(2,971)
Effects of initial application of IFRS 16 FTA on Closureslogic	(1,270)	-
Lease liabilities transferred as part of the sale of GCL Pharma	264	-
Transaction costs not yet paid on Bond issued in 2021	-	857
Net interest expense	(16,595)	(15,176)
Exceptional financial expense due to transaction costs on 2024 Notes and Existing RCF	-	(7,720)
Dividends paid	(4,649)	(3,176)
Change in financial liabilities for put options	105	(3,321)
Fair value gains (losses) on market warrants	(1,937)	5,961
Derivatives and other financial items	(953)	606
Effect of exchange fluctuation	63	1,608
D) Change in net financial indebtedness due to financing activities	(28,423)	(23,331)
E) Total change in net financial indebtedness (B+C+D)	(22,906)	(14,095)
F) Closing net financial indebtedness (A+E)	(485,418)	(478,306)

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 nine months of 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 nine months of 2021.



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



Net cash flows from operating activities

Net cash flows generated by operating activities were €32.5 million in the first nine months of 2021, down €2.2 million on the corresponding period of 2020 (€34.7 million) despite the increase in the gross operating profit (EBITDA) (€9.7 million), which was offset by the higher absorption of the changes in net working capital (€2.8 million), by the higher cash out for taxes (€2.9 million) and by the difference in other operating items (€8.5 million).

The increase in cash out for taxes is mainly due to the higher payment of VAT in the UK that was deferred from 2020 due to the Covid-19 pandemic.

The difference in other operating items includes €3.0 million impact of the recognition of some accrued amounts to the previous management of the company and €2.4 million difference attributable to the impairment of some assets.

Cash flows used in investing activities

Cash flows used in investing activities were €23.3 million in the first nine months of 2021, down €5.9 million on the corresponding period of 2020 (€29.2 million).

Such decrease is due to lower M&A activities (€6.6 million), partially offset by higher capital expenditure (€0.6 million).

In relation to M&A activities, in the first nine months 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 nine months of 2020, the Group paid €12.4 million to acquire Closurelogic's business (in Germany and in Turkey) and €0.9 million to acquire 20% in the UK company SharpEnd, while it collected €7.1 million for the sale of GCL Pharma.



Increase in net financial indebtedness due to financing activities

Net financial indebtedness due to financing activities in the first nine months of 2021 amounts to €23.3 million, down €5.1 million on the corresponding period of 2020 (€28.4 million).

Such decrease refers to following main positive effects:

- positive impact of the change in fair value of the market warrants (+€7.9 million);
- lower dividends to non-controlling investors (+€1.5 million);
- lower net interest expense (+€1.4 million);
- effect of the first time adoption of IFRS 16 by the German company in the first nine months of 2020 (€1.3 million, compared to nil in the reporting period);
- transaction costs related to the refinancing in 2021 which have not yet been paid (+€0.9 million);
- lower increase in right-of-use assets (+€0.5 million);
- effects of other financial items (+€1.6 million);
- exchange rate gains (+€1.5 million),

partially offset by the following negative effects:

- non-recurring financial expense due to the reversal of unamortised transaction costs recognised in the first nine months of 2021 as a consequence of the Group's refinancing (€7.7 million);
- increase in fair value losses on non-controlling investors' put options (€3.4 million).



Current trading and outlook

The sales volume demand growth is expected to continue in the fourth quarter 2021 in spite of the still evident Covid uncertainty about the development of Covid-19 during the last part of the year. In this scenario, especially in case of new waves of the Covid-19 pandemic, some governments may reintroduce restrictive measures.

Furthermore, costs of Raw materials are still at high level and are influenced by a certain degree of volatility. The same trend is also expected for other costs (utilities and freights).

Price increase efforts are continuing to be made 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 nine months of 2021 at constant exchange rates [average exchange rates of the first nine months of 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, reorganisation costs, expenses on mergers and acquisitions activities (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, reorganisation 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)	9M 2020 (*)	9M 2021
Loss for the period	(11,700)	(105)
Income taxes	4,227	6,910
Profit/(loss) before tax	(7,473)	6,806
Net financial expense	27,849	23,960
Amortisation and depreciation	47,710	47,054
Gross operating profit	68,086	77,820
Adjustments:		
Public tender offer expenses	-	870
Reorganisation costs	994	2,368
Merger and acquisition expenses	527	-
Change in equity-accounted investments	94	170
Gains on sales of equity investments	(2,830)	-
Impairment losses	4,001	1,441
Adjusted gross operating profit (Adjusted EBITDA)	70,871	82,669

Adjusted operating profit (Adjusted EBIT)

(€'000)	9M 2020 (*)	9M 2021
Loss for the period	(11,700)	(105)
Income taxes	4,227	6,910
Profit/(loss) before tax	(7,473)	6,806
Net financial expense	27,849	23,960
Operating profit	20,376	30,766
Adjustments:		
Public tender offer expenses	-	870
Reorganisation costs	994	2,368
Merger and acquisition expenses	527	-
Change in equity-accounted investments	94	170
Gains on sales of equity investments	(2,830)	
Impairment losses	4,001	1,441
Adjusted operating profit (Adjusted EBIT)	23,161	35,615

^(*) The figures for the first nine months of 2020 have been restated to incorporate the effects of the PPA for Guala Closures Deutschland GmbH.

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 nine months amounts (2021 first nine months income and expense of foreign operations are translated into Euros at the average exchange rates of the first nine months of 2021) and the 2021 first nine months amounts recalculated at constant 2020 first nine months average exchange rates (2021 first nine months income and expense of foreign operations are translated into Euros at the average exchange rates of the first nine months of 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 nine months of 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 (€0.9 million in the first nine months of 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 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 is generated by the sales and purchases of the first nine months of 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 "Change in mix & other costs".

"Change in mix & other costs" 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	9M 2020	9M 2021	Classification in the notes to the condensed interim consolidated financial statements (notes 13-14)
Net exchange losses	11,404	4,181	Exchange gains
Net exchange losses	(21,135)	(7,886)	Exchange losses
Net fair value gains (losses) on market warrants	(1,937)	5,961	Fair value gains (losses) on market warrants
Net fair value gains (losses) on currency derivatives	341	(O)	Fair value gains (losses) on currency derivatives
Net fair value gains (losses) on financial liabilities to non-controlling investors	105	-	Financial income on financial liabilities to non-controlling investors
Net fair value gains (losses) on financial liabilities to non-controlling investors	-	(3,321)	Financial expense on financial liabilities to non-controlling investors
Net interest expense	238	77	Interest income
Net other financial expense	913	1,631	Other financial income
Net interest expense	(15,516)	(14,880)	Interest expense
Other net financial expense	(2,263)	(2,003)	Other financial expense
Financial expense for refinancing	-	(7,720)	Financial expense for refinancing
Total net financial expense	(27,849)	(23,960)	



Annex B)

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

(€'000)

	0		
Classification in the reclassified	December	September	Classification in the financial statements
statement of financial position	31, 2020	30, 2021	classification in the imanetal statements
Net working capital	92,620	122,262	Trade receivables
Net working capital	100,021	122,177	Inventories
Net working capital	(68,835)	(90,742)	Trade payables
Total net working capital	123,806	153,697	
Other net liabilities	4,201	3,075	Current direct tax assets
Other net liabilities	10,992	13,350	Current indirect tax assets
Other net liabilities	6,417	5,869	Other current assets
Other net liabilities	195	82	Contract costs
Other net liabilities	24,501	23,413	Deferred tax assets
Other net liabilities	410	406	Other non-current assets
Other net liabilities	(5,514)	(4,292)	Current direct tax liabilities
Other net liabilities	(11,827)	(12,349)	Current indirect tax liabilities
Other net liabilities	(2,298)	(2,112)	Current provisions
Other net liabilities	(626)	(859)	Contract liabilities
Other net liabilities	(29,267)	(34,896)	Other current liabilities
Other net liabilities	(97,750)	(92,318)	Deferred tax liabilities
Other net liabilities	(241)	(190)	Non-current provisions
Other net liabilities	(2,407)	(38)	Other non-current liabilities
Total net other liabilities	(103,215)	(100,860)	
Net financial liabilities - third parties	(74)	(144)	Current financial assets
Net financial liabilities - third parties	(458)	(416)	Non-current financial assets
Net financial liabilities - third parties	9,905	7,211	Current financial liabilities
Market warrants	5,965	4	Current financial liabilities
Financial liabilities - IFRS 16 effects	3,645	3,698	Current financial liabilities
Net financial liabilities - third parties	466,711	488,419	Non-current financial liabilities
Non-controlling investors' put option	29,032	32,353	Non-current financial liabilities
Financial liabilities - IFRS 16 effects	13,366	9,358	Non-current financial liabilities
Cash and cash equivalents	(63,882)	(62,177)	Cash and cash equivalents
Total net financial indebtedness	464,210	478,306	



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)

	September 30,	September 30,
	2020	2021
Total change in net financial indebtedness	(22,906)	(14,095)
Increase in right-of-use assets	3,452	2,971
Proceeds from new borrowings and bonds	22,928	501,874
Repayment of borrowings and bonds	(6,104)	(479,287)
Repayment of finance leases	(5,408)	(4,196)
Translation effect on foreign currency assets and liabilities	(1,870)	667
Net fair value gains on non-controlling investors' put options	(105)	3,321
Change in liabilities for financial expense	5,520	3,210
Paid transaction costs on bond issued in 2021	-	(16,143)
Change in financial assets	(46)	(28)
Total change in financial assets and liabilities	18,367	12,390
Total change in cash and cash equivalents	(4,539)	(1,705)





Statement of profit or loss

For the nine months ended September 30 (€'000)	2020 (*)	2021	Note
Net revenue	417,198	474,280	6
Change in finished goods and semi-finished products	9,035	5,743	
Other operating income	3,226	4,213	
Internal work capitalised	3,653	3,505	
Costs for raw materials	(181,520)	(210,897)	
Costs for services	(81,083)	(89,194)	
Personnel expense	(94,911)	(102,199)	
Other operating expense	(5,763)	(5,715)	
Impairment losses on trade receivables and contract assets	(484)	(131)	
Impairment losses	(4,001)	(1,615)	
Gains on sales of equity investments	2,830	-	
Amortisation and depreciation	(47,710)	(47,054)	20-21-22
Financial income	13,035	11,850	
Financial expense	(40,883)	(35,811)	
Share of loss of equity-accounted investees, net of the tax effect	(94)	(170)	
Profit (loss) before taxation	(7,473)	6,806	
Income taxes	(4,227)	(6,910)	
Profit (loss) for the period	(11,700)	(105)	
Attributable to:			
- the owners of the parent	(17,550)	(6,355)	
- non-controlling interests	5,850	6,251	

Statement of profit or loss and other comprehensive income

For the nine months ended September 30 (€'000)	2020 (*)	2021	
Profit (loss) for the period	(11,700)	(105)	
Other comprehensive income (expense):			
Actuarial gains on defined benefit plans	79	444	
Taxes on items that will not be reclassified to profit or loss	(24)	(123)	
Items that will not be reclassified to profit or loss:	55	321	
Foreign currency translation differences for foreign operations	(38,251)	11,887	
Hedging reserve	157	-	
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	-	188	
Items that will or may be reclassified subsequently to profit or loss:	(38,093)	11,439	
Other comprehensive income (expense) for the period, net of tax	(38,039)	11,759	
Comprehensive income (expense) for the period	(49,739)	11,655	
Attributable to:			
- the owners of the parent	(50,810)	3,632	
- non-controlling interests	1,071	8,023	

^(*) The comparative figures for the first nine months ended September 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.



Statement of profit or loss

For the three months ended September 30 (€'000)	2020 (*)	2021	Note
Net revenue	144,905	177,104	6
Change in finished goods and semi-finished products	(7,378)	(2,864)	
Other operating income	1,387	641	7
Internal work capitalised	1,826	1,233	8
Costs for raw materials	(57,015)	(78,346)	9
Costs for services	(25,083)	(31,576)	10
Personnel expense	(30,283)	(33,938)	11
Other operating expense	(1,598)	(1,305)	12
Impairment losses on trade receivables and contract assets	(40)	(88)	
Impairment losses	(4,000)	(1,441)	
Amortisation and depreciation	(15,810)	(15,361)	
Financial income	2,719	1,387	13
Financial expense	(11,234)	(13,295)	14
Share of loss of equity-accounted investees, net of the tax effect	(94)	(52)	
Profit (loss) before taxation	(1,697)	2,097	
Income taxes	(2,500)	(3,845)	15
Profit (loss) for the period	(4,196)	(1,748)	
Attributable to:			
- the owners of the parent	(6,310)	(4,018)	
- non-controlling interests	2,114	2,271	

Statement of profit or loss and other comprehensive income

For the three months ended September 30 (€'000)	2020 (*)	2021	
Profit (loss) for the period	(4,196)	(1,748)	
Other comprehensive income (expense):			
Actuarial gains on defined benefit plans	(128)	79	
Taxes on items that will not be reclassified to profit or loss	39	(12)	
Items that will not be reclassified to profit or loss:	(89)	67	
Foreign currency translation differences for foreign operations	(9,940)	1,788	
Hedging reserve	315	-	
Tax on items that will or may be reclassified subsequently to profit or	(47)	-	
Items that will or may be reclassified subsequently to profit or loss:	(9,672)	1,788	
Other comprehensive income (expense) for the period, net of tax	(9,760)	1,855	
Comprehensive income (expense) for the period	(13,957)	107	
Attributable to:			
- the owners of the parent	(14,106)	(2,525)	
- non-controlling interests	149	2,632	

^(*) The comparative figures for the nine months ended September 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.



Statement of financial position - ASSETS

(€'000)	December 31, 2020	September 30, 2021	Note
ASSETS			
Current assets			
Cash and cash equivalents	63,882	62,177	16
Current financial assets	74	144	
Trade receivables	92,620	122,262	17
Inventories	100,021	122,177	18
Current direct tax assets	4,201	3,075	
Current indirect tax assets	10,992	13,350	
Derivative assets	634	-	
Other current assets	6,417	5,869	
Total current assets	278,841	329,055	
Non-current assets			
Non-current financial assets	458	416	
Investments in associates	1,028	2,531	19
Property, plant and equipment	220,793	218,080	20
Right-of-use assets	16,516	15,362	21
Intangible assets	830,239	819,977	22
Contract costs	195	82	
Deferred tax assets	24,501	23,413	
Other non-current assets	410	406	
Total non-current assets	1,094,139	1,080,267	
TOTAL ASSETS	1,372,980	1,409,322	



Statement of financial position - LIABILITIES

(€'000)	December 31, 2020	September 30, 2021	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	19,515	10,913	23
Trade payables	68,835	90,742	24
Contract liabilities	626	859	
Current direct tax liabilities	5,514	4,292	
Current indirect tax liabilities	11,827	12,349	
Current provisions	2,298	2,112	25
Other current liabilities	29,267	34,896	
Total current liabilities	137,882	156,164	
Non-current liabilities			
Non-current financial liabilities	509,109	530,130	23
Employee benefits	9,631	9,483	
Deferred tax liabilities	97,750	92,318	
Non-current provisions	241	190	25
Other non-current liabilities	2,407	38	
Total non-current liabilities	619,139	632,160	
Total liabilities	757,021	788,324	
Share capital and reserves attributable to non-controlling interests	29,515	33,298	
Profit for the period/year attributable to non-controlling interests	8,627	6,251	
Equity attributable to non-controlling interests	38,143	39,549	27
Share capital	68,907	68,907	
Share premium reserve	423,837	423,837	
Legal reserve	1,266	1,824	
Translation reserve	(25,679)	(15,564)	
Hedging reserve	449	-	
Retained earnings and other reserves	123,583	108,801	
Loss for the period/year	(14,546)	(6,355)	
Equity attributable to the owners of the parent	577,817	581,449	26
Total equity	615,959	620,998	
TOTAL LIABILITIES AND EQUITY	1,372,980	1,409,322	



Statement of cash flows

Statement of cash flows for the nine months ended September 30

(€'000)	2020 (*)	2021	Note
Opening cash and cash equivalents	57,056	63,882	
A) Cash flows from operating activities	·	,	
Profit (loss) before taxation	(7,473)	6,806	
Adjustments:	, , ,	, i	
Amortization and depreciation	47,710	47,054	20-21-22
Financial income	(13,035)	(11,850)	
Financial expense	40,883	35,811	
Impairment losses	4,001	1,615	
Share of loss of equity-accounted investees, net of the tax effect	94	170	
Gains on sales of equity investments	(2,830)	_	
Net gains on sale of non-current assets	(3)	(576)	
Variation:			
Receivables	(7,256)	(27,594)	17
Payables	2,018	20,840	24
Inventories	(19,196)	(20,461)	18
Other operating items	1,203	(4,952)	
VAT and indirect tax assets/liabilities	2,512	(1,868)	
Income taxes paid	(13,933)	(12,496)	
Net cash flows from operating activities	34,694	32,497	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(23,080)	(24,240)	20-21-22
Proceeds from sale of property, plant and equipment and intangible	CO	F07	20-21-22
assets	68	587	20-21-22
Acquisition of Closurelogic GmbH's business (Germany)	(12,187)	-	
Acquisition of Closurelogic GmbH's business (Turkey) (net of cash	(171)		
acquired)	(171)		
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	(29,178)	(23,261)	
C) Cash flows from financing activities			
Interest received	1,151	1,708	
Interest paid	(15,666)	(14,520)	
Transaction costs paid for bonds issued in 2021	-	(16,143)	
Other financial items	(455)	551	
Dividends paid	(4,649)	(3,176)	
Proceeds from new borrowings and bonds	22,928	501,874	23
Repayment of borrowings and bonds	(6,104)	(479,287)	23
Repayment of leases	(5,408)	(4,196)	
Change in financial assets	(46)	(28)	
Net cash flows from (used in) financing activities	(8,248)	(13,216)	
Net cash flows of the period	(2,731)	(3,980)	
Effect of exchange fluctuations on cash held	(1,808)	2,275	
Closing cash and cash equivalents	52,517	62,177	16

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



Statement of changes in equity

For the nine months ended September 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	September 30, 2020
	A)	B)			C)			D)	A)+B)+C)+D)
Attributable to the owners of the p	arent:		_		_	_			_
Share capital	68,907				-			-	68,907
Share premium reserve	423,837				-			-	423,837
Legal reserve	643	623			-			-	1,266
Translation reserve	6,041			(33,472)	(33,472)			-	(27,431)
Hedging reserve	-			157	157			-	157
Retained earnings and other	116,249	7,082		55	55		783	783	124,168
reserves		,,552		33	33		, 55	, , ,	12-4, 100
Profit (loss) for the period	7,705	(7,705)	(17,550)		(17,550)			-	(17,550)
Equity	623,381	-	(17,550)	(33,260)	(50,810)	-	783	783	573,354
Non-controlling interests:									
Share capital and reserves	34,726	6,954	-	(4,779)	(4,779)	(4,339)	(783)	(5,122)	31,779
Profit (loss) for the period	6,954	(6,954)	5,850		5,850			-	5,850
Equity	41,680	-	5,850	(4,779)	1,071	(4,339)	(783)	(5,122)	37,629
Total equity	665,060	-	(11,700)	(38,039)	(49,739)	(4,339)	-	(4,339)	610,983

For the nine months ended September 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	September 30, 2021
	A)	B)			C)			D)	A)+B)+C)+D)
Attributable to the owners of the p	arent:								
Share capital	68,907				-			-	68,907
Share premium reserve	423,837				-			-	423,837
Legal reserve	1,266	557			-			-	1,824
Translation reserve	(25,679)			10,115	10,115			-	(15,564)
Hedging reserve	449			(449)	(449)			-	0
Retained earnings and other reserves	123,583	(15,103)		321	321			-	108,801
Profit (loss) for the period	(14,546)	14,546	(6,355)		(6,355)			-	(6,355)
Equity	577,817	-	(6,355)	9,987	3,632	-	-	-	581,449
Non-controlling interests:									
Share capital and reserves	29,515	8,627		1,772	1,772	(6,616)		(6,616)	33,298
Profit (loss) for the period	8,627	(8,627)	6,251		6,251	-		-	6,251
Equity	38,143	-	6,251	1,772	8,023	(6,616)	-	(6,616)	39,549
Total equity	615,959	-	(104)	11,759	11,655	(6,616)	-	(6,616)	620,998





Notes to the condensed interim consolidated financial statements at September 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 directly owned by Special Packaging Solution Investments S.à.r.I. ("SPSI"), ") and its ultimate parent company is Investindustrial S.A..

On July 20, 2021, Special Packaging Solutions Investments S.a.r.l. ended the squeeze-out procedure, purchasing all Guala Closures S.p.A. ordinary shares still outstanding on that date (1.12% of the company share capital) 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.

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 September 30, 2021 have been prepared in accordance with IAS 34 - Interim Financial Reporting endorsed by European Union.

Except for that set out in the 3 "Changes to standards" section, the accounting policies applied to prepare the condensed interim consolidated financial statements by all the group companies are the same as those applied to prepare the consolidated financial statements of the Guala Closures Group at December 31, 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.

9M means the first nine months of the year from January 1 to September 30.

Q3 means the third guarter of the year from July 1 to September 30.

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

The condensed interim consolidated financial statements comprise the following schedules:

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

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 September 30, 2021

	Registered office	Currency	Share/quota	<u>Investment</u>	Type of	Method of
	negistered office	Currency	<u>capital</u>	<u>percentage</u>	<u>investment</u>	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 exc	hange rates	Spot excha	nge rates
€1 = x foreign currency	9M 2020	9M 2021	December 31, 2020	September 30, 2021
Pound sterling	0.88454	0.86405	0.8990	0.8605
US dollar	1.12411	1.19671	1.2271	1.1579
Indian rupee	83.43356	88.07731	89.6605	86.0766
Mexican peso	24.51478	24.08063	24.4160	23.7439
Colombian peso	4,166.00222	4,423.89556	4,202.3400	4,441.3300
Brazilian real	5.70722	6.38092	6.3735	6.2631
Chinese renmimbi	7.86136	7.74069	8.0225	7.4847
Argentine peso	89.12320	114.21440	103.2494	114.2144
Polish zloty	4.42258	4.54641	4.5597	4.6197
New Zealand dollar	1.76268	1.68158	1.6984	1.6858
Australian dollar	1.66327	1.57669	1.5896	1.6095
Ukrainian hryvnia	29.84481	32.88672	34.7689	30.7890
Bulgarian lev	1.95580	1.95580	1.9558	1.9558
South African rand	18.8139	17.4316	18.0219	17.5629
Japanese yen	120.8365	129.7955	126.4900	129.6700
Chilean peso	901.5289	882.0778	872.5200	937.4100
Kenyan shilling	118.6161	130.2953	134.0171	127.9280
Belarus ruble	2.6968	3.0600	3.1646	2.9105
Turkish lira	8.9084	9.6980	9.1131	10.2981

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.
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16): in May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16). The pronouncement amended IFRS 16 Leases to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction



in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19-related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the IASB decided to look into whether to extend the time period over which the practical expedient is available for use.

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 nine months of 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 ope	erations	Total		
	9M 2020 (*)	9M 2021	9M 2020 (*)	9M 2021	9M 2020 (*)	9M 2021	
Net revenue	415,006	472,274	2,192	2,006	417,198	474,280	
Amortisation and depreciation Financial income Financial expense	(47,530) 13,035 (40,883)	(46,870) 11,850 (35,811)	(180) - -	(184) 0 0	(47,710) 13,035 (40,883)	(47,054) 11,850 (35,811)	
Share of loss of equity- accounted investees, net of the tax effect	(94)	(170)	-	0	(94)	(170)	
Profit (loss) before taxation	(7,426)	6,850	(46)	(44)	(7,473)	6,806	
			_				
Net capex (**)	22,773	23,492	239	160	23,012	23,653	

(€′000)	Closures		Other ope	erations	Total		
	Q3 2020 (*)	Q3 2021	Q3 2020 (*)	Q3 2021	Q3 2020 (*)	Q3 2021	
Net revenue	144,196	176,407	709	698	144,905	177,104	
Amortisation and depreciation	(15,751)	(15,299)	(59)	(62)	(15,810)	(15,361)	
Financial income	2,719	1,387	_	0	2,719	1,387	
Financial expense	(11,234)	(13,295)	-	0	(11,234)	(13,295)	
Share of loss of equity- accounted investees, net of the tax effect	(94)	52	-	0	(94)	52	
Profit (loss) before taxation	(1,697)	2,132	1	(35)	(1,697)	2,097	

^(*) The comparative figures for the first nine months of 2021 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 nine months of 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 ope	erations	Total	
	December	September	December	September	December	September
	31,	30,	31,	30,	31,	30,
	2020	2021	2020	2021	2020	2021
Trade receivables	92,460	122,076	160	186	92,620	122,262
Inventories	99,463	121,608	558	569	100,021	122,177
Trade payables	(68,516)	(90,419)	(319)	(323)	(68,835)	(90,742)
Property, plant and equipment and right-of-use assets	236,127	232,232	1,181	1,210	237,308	233,442

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)	Q3 2020	Q3 2021	9M 2020	9M 2021
United Kingdom	26,530	32,363	67,354	83,086
Italy	16,158	18,833	51,251	54,245
India	13,982	18,090	37,572	49,069
Poland	12,066	13,486	40,555	43,277
Mexico	5,934	16,247	27,353	39,697
North America	6,734	8,736	19,956	25,469
Spain	13,252	9,604	32,977	24,873
Germany	7,830	9,457	23,120	24,687
Ukraine	6,966	9,203	24,069	22,068
Australia	8,068	6,376	20,412	17,212
Argentina	35,379	5,515	40,897	14,551
South Africa	3,269	4,344	7,693	12,185
France	3,040	3,073	10,490	10,627
Other countries	(14,305)	21,777	13,499	53,235
Net revenue	144,905	177,104	417,198	474,280



	Non-current ass financial instrume tax assets: prop equipment, right: and intangi	nts and deferred erty, plant and s-of-use assets	Deferred tax assets	
(€′000)	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021
italy	581,140	573,995	13,527	11,790
Australia	84,605	81,927	2,255	2,127
India	59,258	59,529	912	749
Poland	48,524	50,207	-	-
Spain	39,993	38,778	520	663
Mexico	33,693	33,950	99	102
Ukraine	30,739	32,002	-	-
South Africa	13,865	13,528	672	531
Germany	10,693	11,129	1,541	1,418
New Zealand	11,057	10,959	189	213
Brazil	9,792	9,615	-	-
Chile	8,501	7,598	1,648	2,095
China	7,329	7,444	132	141
Argentina	3,153	3,963	313	627
Other countries	60,616	59,557	1,776	1,951
Consolidation adjustments	64,591	59,239	918	1,004
Total	1,067,547	1,053,419	24,501	23,413

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 nine months of 2021: the turnover of this customer amounts to around €70 million for the nine months 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 €2.5 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:

	C)3	9М		
(€'000)	2020	2021	2020	2021	
Europe	84,326	100,741	254,599	275,090	
Asia	15,085	19,736	40,897	53,964	
Americas	29,680	40,489	81,744	102,660	
Oceania	11,152	10,262	28,677	26,768	
Africa	4,662	5,877	11,281	15,799	
Total	144,905	177,104	417,198	474,280	

The table below illustrates net revenue by product type:

	Ç)3	9M	
(€'000)	2020	2021	2020	2021
Safety closures	50,175	68,302	144,035	180,430
Luxury closures	7,706	11,985	21,278	28,636
Roll-on closures for wine	30,487	33,632	87,458	93,142
Roll-on closures	51,405	57,027	147,980	155,862
Other revenue	5,131	6,158	16,448	16,211
Total	144,905	177,104	417,198	474,280

The table below illustrates net revenue by destination market:

	Ç)3	9M		
(€'000)	2020	2021	2020	2021	
Spirits closures	88,581	112,822	246,489	299,275	
Wine closures	30,487	33,632	87,458	93,142	
Olive oil & condiments closures	3,646	3,532	10,697	10,725	
Water & beverages closures	15,105	19,649	49,950	48,656	
Closures for other markets	7,086	7,469	22,604	22,482	
Total	144,905	177,104	417,198	474,280	



(7) Other operating income

This caption includes:

	Q3		9M	
(€'000)	2020	2021	2020	2021
Sundry recoveries/repayments	439	210	1,505	2,147
Government assistance	549	82	845	1,161
Gains on sale of non-current assets	(19)	194	3	576
Other	419	154	872	329
Total	1,387	641	3,226	4,213

(8) Internal work capitalised

	Q3		91	Л
(€'000)	2020	2021	2020	2021
Internal work capitalised	1,826	1,233	3,653	3,505
Total	1,826	1,233	3,653	3,505

(9) Costs for raw materials

This caption includes:

	Q3		9M	1
(€'000)	2020	2021	2020	2021
Raw materials and supplies	51,565	74,026	173,988	206,070
Packaging	2,689	3,152	8,131	9,357
Consumables and maintenance	2,089	2,245	6,469	6,767
Fuels	95	114	274	294
Other purchases	935	1,291	2,976	3,131
Change in inventories	(358)	(2,483)	(10,317)	(14,722)
Total	57,015	78,346	181,520	210,897



(10) Costs for services

This caption includes:

	Q3		91	И
(€'000)	2020	2021	2020 (*)	2021
Electricity / heating	6,383	8,555	19,011	22,722
Transport	6,285	8,368	19,184	21,716
External processing	2,707	4,484	11,820	13,083
Maintenance	1,908	2,058	5,695	6,329
Sundry industrial services	1,880	1,881	5,781	5,280
Legal and consulting fees	1,522	1,281	4,802	4,923
Administrative services	577	625	2,037	2,556
Insurance	671	748	2,314	2,357
Technical assistance	480	552	1,441	1,425
Travel	352	524	1,513	1,352
Cleaning service	380	423	1,070	1,244
Commissions	244	265	969	1,077
External labour / porterage	470	448	1,536	1,063
Directors' fees	201	434	696	1,047
Telephone costs	167	123	502	451
Advertising services	54	160	238	367
Security	110	135	318	350
Entertainment expenses	135	86	343	240
Commercial services	56	71	248	207
Expos and trade fairs	11	10	156	10
Other	488	345	1,410	1,398
Total	25,083	31,576	81,083	89,194

^(*) The comparative figures for the first nine months of 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 nine months of 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:

	(Q3		√l
(€'000)	2020	2021	2020 (*)	2021
Wages and salaries	23,999	26,304	74,978	80,117
Social security contributions	3,435	3,786	11,080	11,630
Expense from defined benefit plans	367	382	1,198	1,390
Other costs	2,482	3,466	7,655	9,063
Total	30,283	33,938	94,911	102,199

^(*) The comparative figures for the first nine months of 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 nine months of 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 September 30, 2021, the group had the following number of employees:

	December 31, 2020	September 30, 2021
Blue collars	3,520	3,537
White collars	1,062	1,035
Managers	270	308
Total	4,852	4,880

(12) Other operating expense

This caption includes:

	Q3		9M	
(€'000)	2020	2021	2020	2021
Taxes and duties	647	572	1,619	1,471
Use of third-party assets	614	500	1,527	1,404
Accruals to provisions	22	(242)	1,061	1,399
Other charges	315	475	1,556	1,441
Total	1,598	1,305	5,763	5,715

The accruals to provisions mainly refer to the provisions for company reorganisations 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:

		Q3	g	9M
(€'000)	2020	2021	2020	2021
Exchange gains	2,541	560	11,404	4,181
Fair value gains (losses) on currency derivatives	(27)	-	374	-
Interest income	14	25	238	77
Financial income on financial liabilities to non- controlling investors	11	-	105	-
Fair value gains on market warrants	-	289	-	5,961
Other financial income	180	513	913	1,631
Total	2,719	1,387	13,035	11,850

(14) Financial expense

This caption includes:

		Q3	9M	
(€'000)	2020	2021	2020	2021
Interest expense	5,149	4,975	15,516	14,880
Exchange losses	5,204	3,048	21,135	7,886
Financial expense on financial liabilities to non-controlling investors	-	663	-	3,321
Financial expense for refinancing	-	3,949	-	7,720
Fair value losses on market warrants	194	-	1,937	-
Fair value losses on currency derivatives	(33)	-	33	-
Other financial expense	719	660	2,263	2,003
Total	11,234	13,295	40,883	35,811

Financial expense for refinancing of €7.7 million refesr to the reversal of unamortised transaction costs recognised in September 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 from January 1, 2021 to the delisting on July 20, 2021 (in the first nine months of 2020 there was an increase in the official price).

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 nine months of 2021 includes €813 thousand related to the application of IFRS 16 (€844 thousand in the corresponding period of 2020).



(15) Income taxes

This caption includes:

	Q3		9M	
(€'000)	2020	2021	2020 (*)	2021
Current taxes	(4,150)	(4,618)	(11,560)	(12,533)
Changes in deferred taxes	1,650	774	7,333	5,623
Total	(2,500)	(3,845)	(4,227)	(6,910)

(*) The comparative figures for the first nine months of 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 nine months of 2021

Income taxes increased by €2.7 million from €4.2 million in the first nine months of 2020 to €6.9 million in the same period of 2021.

This increase is attributable for €1.0 million to the increase in current taxes and for €1.7 million to the reduction in deferred tax income.

The increase in current taxes in the first nine months of 2021 compared to the first nine months of 2020 is mainly attributable to the general increase in the pre-tax results of the Group companies and to the higher withholding expenses on dividends collected while the first nine months of 2020 were 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 9M 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. Deferred taxes also include an effect of €0.4 million for the release of deferred tax liabilities on the impairment of patents.

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 €65 thousand.



Statement of financial position

(16) Cash and cash equivalents

Cash and cash equivalents totalled €62,177 thousand at September 30, 2021 (€63,882 thousand at December 31, 2020).

(17) Trade receivables

This caption may be analysed as follows:

(€'000)	December 31, 2020	September 30, 2021
Trade receivables	95,378	124,418
Loss allowance	(2,758)	(2,156)
Total	92,620	122,262

The balance of trade receivables reflects the various group companies' use of without-recourse or reverse factoring. This impact at September 30, 2021 amounts to €31.8 million, compared to €26.7 million at December 31, 2020.

The loss allowance changed as follows:

(€'000)	September 30, 2021
Opening balance	2,758
Net exchange losses	(78)
Impairment losses	131
Utilisations/releases of the year	(655)
Closing balance	2,156



(18) Inventories

This caption may be analysed as follows:

(€'000)	December 31, 2020	September 30, 2021
Raw materials, consumables and supplies	52,226	68,356
Allowance for inventory write-down	(1,791)	(2,072)
Work in progress and semi-finished products	24,542	27,779
Allowance for inventory write-down	(856)	(999)
Finished products and goods	27,130	30,605
Allowance for inventory write-down	(1,409)	(1,676)
Payments on account	180	182
Total	100,021	122,177

The €22.2 million increase compared to December 31, 2020 is in line with the business' normal seasonal trends.

Changes in the first nine months of 2021 are as follows:

(€'000)	
January 1, 2021	100,021
Exchange losses	1,688
Change in raw materials, consumables and supplies	14,722
Change in finished goods and semi-finished products	5,743
Change in payments on account	2
September 30, 2021	122,177

The allowance for inventory write-down changed as follows:

(€'000)	September 30, 2021	
Opening balance	4,057	
Net exchange gains	52	
Accruals	637	
Closing balance	4,746	

(19) Investments in associates

This caption amounts to €2.5 million at September 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 GBP1,400 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 nine months of 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	926	2,530	208	7	731	4,402
Increases	12	2,850	39	155	18,751	21,806
Disposals	-	-	-	-	(9)	(9)
Impairments	2.546	-	(109)	-	- (45.200)	(109)
Reclassifications	2,516	10,771	1,951	69	(15,308)	(0)
Depreciation	(1,672)	(24,200)	(2,544)	(387)	-	(28,803)
Historical cost at September 30, 2021	61,798	223,039	24,172	3,276	17,274	329,559
Accumulated depreciation and impairment losses at September 30, 2021	(6,727)	(93,150)	(9,691)	(1,912)	-	(111,480)
Carrying amount at September 30, 2021	55,071	129,889	14,481	1,364	17,274	218,080

In the first nine months of 2021, net capex of €21.8 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, Ukraine and Germany, its Indian facilities as well as its Mexican facility.

In Italy, capex was mainly directed at increasing production capacity, new product development and asset improvement.

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 Germany, capex mainly consisted of increasing production capacity and plant safety.

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, extraordinary maintenance and new product development. 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 September 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 nine months of 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	16,516
5 : 4 2024	42.0/7	4 220	4 / 70	4.670	46.546
Carrying amount at January 1, 2021	12,047	1,329	1,470	1,670	16,516
Net exchange gains (losses)	(227)	(88)	(23)	46	(291)
Increases	1,974	268	145	585	2,971
Reclassifications	-	(O)	-	-	(0)
Depreciation of right-of-use assets	(2,403)	(205)	(521)	(703)	(3,833)
Historical cost at September 30, 2021	20,830	3,177	3,015	3,786	30,808
Accumulated depreciation and impairment losses at September 30, 2021	(9,439)	(1,874)	(1,944)	(2,188)	(15,445)
Carrying amount at September 30, 2021	11,391	1,303	1,071	1,598	15,362

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 nine months of 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	2,677	881,028
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	2,677	830,240
Carrying amount at January 1, 2021	1,991	108,045	505,224	212,303	2,677	830,240
Net exchange gains (losses)	(246)	14	(O)	4,692	(60)	4,400
Increases	493	28	-	11	730	1,261
Impairments	(65)	(1,440)	-	-	-	(1,505)
Reclassifications	760	7	-	(28)	(739)	(0)
Amortisation	(555)	(6,649)		(7,214)	-	(14,419)
Historical cost at September 30, 2021	4,839	133,293	505,224	240,122	2,608	886,085
Accumulated amortisation and impairment losses at September 30, 2021	(2,462)	(33,288)	-	(30,358)	-	(66,108)
Carrying amount at September 30, 2021	2,377	100,005	505,224	209,764	2,608	819,977

This caption decreased by €10.3 million from December 31, 2020 due to the amortisation of €14.4 million for the period and €1.5 for impairments, partially offset by the positive translation effect of €4.4 million and the net increases of the period (€1.3 million).

Licences and patents mainly refer to the Guala Closures trademark and the group's proprietary patents that have been impaired for an amount of €1.4 million due to the underlined market condition of related closures, 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 September 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 nine months of 2021 show a trend for the Group in term of adjusted gross operating profit (adjusted EBITDA), net working capital and net financial position in line than the 2021 budget used for the purposes of the impairment test as at December 31, 2020.

The level of net invested capital at September 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 ("2024 RCF") for a maximum amount of €80 million at the 3M Euribor/GBP Libor + 2.5% (zero floor). The 2024 RCF expiring date was 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 "2024 Notes").

The contracts governing the 2024 RCF and the 2024 Notes provided for change of control clauses and 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 2024 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 2024 RCF.

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 2024 RCF using the proceeds from the offering of the aggregate principal amount of €500 million of Guala Closures' 3¼% Senior Secured Notes due in 2028 (the "2028 Bonds").

Furthermore the 2024 RCF was also cancelled and replaced by the "2028 RFC", due in 2028, pursuant to which an € 80 million (equivalent) multi-currency revolving credit facility can be utilized applying an interest rate of Euribor/Libor + 2.5%. The 2028 RCF was not used at September, 30th.

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

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

(€'000)	December 31, 2020	September 30, 2021
Current financial liabilities		
Bonds	3,406	3,837
Bank loans and borrowings	6,497	3,374
Other financial liabilities	9,611	3,703
	<u>19,515</u>	<u>10,913</u>
Non-current financial liabilities		
Bonds	446,454	484,580
Bank loans and borrowings	20,258	1,033
Other financial liabilities	42,398	44,518
	<u>509,109</u>	<u>530,130</u>
Total	528,624	541,043



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

				Nominal Amount				
					Current	N	lon-currer	nt
(€'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. Transaction costs	€/ GBP €	Euribor/Libor GBP 3M+2.5% n.a.	2024 2024	19,235 (453)	-	19,235 (453)	-	19,235 (453)
Total Senior Revolving Credit Facility - Guala	€	II.a.	2024		_			
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 Ioan (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"



				Nominal amount				
					Current	N	on- currer	nt
(€'000)	Currency	Nominal interest rate	Year of maturity	Total September 30, 2021	Within one year	Between one and five years	More than five years	Total non- current
Bonds								
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	-	500,000	500,000
Interest on bonds	€	n.a.	2021	3,837	3,837	-	-	-
Transaction costs	€	n.a.	2028	(15,421)	-	-	(15,421)	(15,421)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				488,416	3,837	-	484,580	484,580
Bank loans and borrowings:								
Senior Revolving Credit Facility - Guala Closures S.p.A.	€	Euribor 3M+2.5%	2028	-	-	-	-	-
Transaction costs	€	n.a.	2028	(1,007)	-	-	(1,007)	(1,007)
Total Senior Revolving Credit Facility - Guala				(1.007)		_	(1.007)	(1.007)
Closures S.p.A.				(1,007)	_	_	(1,007)	(1,007)
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2021	119	119	-	-	-
Handlowy S.A. / Millennium S.A. facilities (Poland)	PLN	Wibor 1M (*)	n.a.	200	200	-	-	-
Banco Chile Ioan (Chile)	CLP	3.48%	2023	209	156	53	-	53
Santander loan and facilities (Brazil)	BRL	n.a.	2021	3	3	(O)	-	(O)
Advances on receivables (Argentina)	ARS	n.a.	n.a.	44	44	(O)	-	(O)
Bancomer Ioans (Mexico)	USD	n.a.	2023	4,838	2,852	1,986	-	1,986
TOTAL bank loans and borrowings				4,406	3,374	2,040	(1,007)	1,033
Other financial liabilities:								
Market warrants	€	n.a.	n.a.	4	4	-	-	-
Leases (IFRS 16)	€	n.a.	n.a.	15,863	3,698	9,358	2,807	12,165
Non-controlling investors' put options	€	n.a.	n.a.	32,353	-	-	32,353	32,353
Other liabilities	€	n.a.	n.a.	0	0	-	_	-
TOTAL other financial liabilities				48,220	3,703	9,358	35,160	-
TOTAL				541,043	10,913	11,397	518,733	530,130

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



Other financial liabilities include the market warrants, which have a fair value of \le 4 thousand and \le 5,965 thousand at September 30, 2021 and December 31, 2020 respectively. The fair value gain for the period was recognised as a financial income in profit or loss (\le 5,961 thousand). This gain is attributable to the decrease in the market price of the market warrants, which went from \le 0.31 at December 31, 2020 to \ge 0.0002 at July 7, 2021, when these instruments were delisted from the Italian Stock Exchange, together with the ordinary company's shares.

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 organised 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 within 2023.

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 September 30, 2021 is shown in the table below:

Facility	Available amount (€'000)	Amount used at September 30, 2021	Residual available amount September 30, 2021	Repayment date
Senior Revolving Credit Facility due in 2028	80,000	-	80,000	final repayment 01/07/2028
Total	80,000	-	80,000	

(24) Trade payables

These may be analysed as follows:

(€'000)	December 31, 2020	September 30, 2021
Suppliers	68,278	90,332
Payments on account	557	409
TOTAL	68,835	90,742



(25) Provisions

This caption may be analysed as follows:

CURRENT PROVISIONS:

(€'000)	December 31, 2020	September 30, 2021
Provision for company reorganisations	686	1,024
Provision for returns	896	852
Provision for contingencies	701	150
Other provisions	16	86
Total current provisions	2,298	2,112

The provision for company reorganisations includes:

- €290 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 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)	September 30, 2021
Opening balance	2,298
Exchange losses	8
Accruals	1,391
Utilisations	(1,585)
Closing balance	2,112

NON-CURRENT PROVISIONS:

(€'000)	December 31, 2020	September 30, 2021
Provision for legal disputes	85	47
Provision for agents' termination indemnity	156	143
Total non-current provisions	241	190

Changes in the non-current provisions are as follows:



NON-CURRENT PROVISIONS:

(€'000)	September 30, 2021
Opening balance	241
Accruals	8
Utilisations	(58)
Closing non-current provisions	190

(26) Equity attributable to the owners of the parent

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 September 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 relisting 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 until August 2028) irrevocably become ineffective and are taken to have been extinguished as explained in the related regulations to which reference is made.



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.

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

(27) Equity attributable to non-controlling interests

Equity attributable to non-controlling interests relates to the following consolidated companies:

	Non-	Non-		
	controlling	controlling	Balance at	Balance at
	interests (%) at	interests (%) at	December 31,	September 30,
	December 31,	September 30,	2020	2021
(€'000)	2020	2021		
Guala Closures Technologia Ukraine LLC	30.0%	30.0%	13,441	14,113
Guala Closures India Pvt Ltd.	5.0%	5.0%	3,043	3,309
Guala Closures de Colombia LTDA	6.8%	6.8%	628	538
Guala Closures Bulgaria A.D.	30.0%	30.0%	2,895	2,549
Guala Closures DGS Poland S.A.	30.0%	30.0%	17,948	18,810
Guala Closures BY LLC	30.0%	30.0%	186	230
Total			38,143	39,549

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 September 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			С	arrying amount				Fair	value	
(€'000)	Note	Designated at FVTPL	Fair value - hedging instruments		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				
Figure 1. I liabilities are assumed at fair		-	-	158,062	-	158,062	-	-	-	
Financial liabilities measured at fair value										
	22	/E 0CE\				(F.OCE)	(F, OCE)			/F 0CF
Market warrants	23	(5,965)				(5,965)	(5,965)		(20.022)	(5,965
Non-controlling investors' put options	23	(29,032) (34,997)				(29,032) (34,997)	(5,965)	-	(29,032) (29,032)	(29,032
Financial liabilities not measured at fair		(34,337)	_	_	-	(34,337)	(5,305)	_	(23,032)	(34,337
value (*)										
Bank overdraft	23				(4,534)	(4,534)		(4,534)		(4,534
Secured bank loans	23				(4,534) (21,876)	(21,876)		(4,534) (22,001)		(22,001
Unsecured bank loans	23				(21,870)	(345)		(345)		(345
Secured bond issues	23				(343) (449,860)	(449,860)		(469,328)		(469,328
Lease liabilities (IFRS 16)	23				(17,011)	(17,011)		(405,520)		(405,520
Trade payables	24				(68,835)	(68,835)		_		
Other financial liabilities	23				(1)	(1)		_		
Other mariela nabinites	23	_	_	_	(562,462)	(562,462)	_	(496,208)	_	(496,208
					(,	(/		(,,		(/
September 30, 2021			С	arrying amount				Fair	value	
	Note	Designated at FVTPL	hedging	Loans and receivables at amortised cost		Total	Level 1	Level 2	Level 3	Total
(€'000)										
Financial assets measured at fair value										
Financial assets measured at fair value		-	-	-	-	_	-	-	-	
Financial assets measured at fair value Financial assets not measured at fair value (*)		-	-	-	-	-	-	-	-	

	Note	Designated at FVTPL	Fair value - hedging instruments	Loans and receivables at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(€'000)										
Financial assets measured at fair value										
		-	-	-	-	-	-	-	-	_
Financial assets not measured at fair	1									
value (*)										
Trade receivables	17			122,262		122,262				-
Financial assets				560		560				-
Investments in associates	19			2,531		2,531		-		-
Cash and cash equivalents	16			62,177		62,177				-
		-	-	187,531	-	187,531	-	-	-	-
Financial liabilities measured at fair	1									
value										
Market warrants	23	(4)				(4)			(4)	(4)
Non-controlling investors' put options	23	(32,353)				(32,353)		-	(32,353)	(32,353)
		(32,357)	-	-	-	(32,357)		-	(32,357)	(32,357)
Financial liabilities not measured at fair										
value ^(*)										
Bank overdraft	23				(200)	(200)		(200)		(200)
Secured bank loans	23				(3,995)	(3,995)		(5,002)		(5,002)
Unsecured bank loans	23				(212)	(212)		(212)		(212)
Secured bond issues	23				(488,416)	(488,416)		(510,833)		(510,833)
Lease liabilities (IFRS 16)	23				(15,863)	(15,863)				-
Trade payables	24				(90,742)	(90,742)				-
Other financial liabilities	23				(O)	(0)				-
		-	-	-	(599,428)	(599,428)	_	(516,246)	-	(516,246)

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



(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

Level 1

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

Level 2

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

Financial instruments not measured at fair value

Туре	Valuation technique	Significant unobservable inputs
Secured bond issues	Discounted cash flows	Not applicable.
Finance lease liabilities		
Financial assets		

Even though secured bond issues are quoted on the OTC market like the Euro-MTF in Luxembourg, no relevant transactions were recorded during the period and therefore, these financial instruments were classified as level 2. Furthermore, the fair value information for financial assets and financial liabilities not measured at fair value are not included as their carrying amount is a reasonable approximation of fair value.

Level 3

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

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



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

Financial instruments measured at fair value

Туре	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%-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)	3,321
Balance at September 30, 2021	32,353



Sensitivity analysis

Reasonably possible changes at September 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:

	Increase/(decrease)	Favourable/
	in input data	(unfavourable) effect
	not directly	on the profit (loss)
(€'000)	observable	for the period
Risk-adjusted discount rate	1%	2,631
Risk-adjusted discount rate	(1%)	(3,280)
Growth rate	1%	(1,593)
diowiirate	(1%)	
Expected date of put option exercise	+ 1 year	2,238
Expected date of put option exercise	- 1 year	(2,471)

(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

Following the acquisition by SPSI of 100% of the voting shares in the capital of Guala Closures, on August 3, 2021, SPSI granted a share pledge in respect of the shares it owns in Guala Closures to secure Guala Closures' €500 million 3½% Senior Secured Notes due in 2028 issued on July 7, 2021 (the "2028 Notes") and its new €80.0 million (equivalent) multi-currency revolving credit facility (the "2028 RCF"). On August 3, 2021, Guala Closures granted a Dutch law-governed share pledge over the shares that it holds in Guala Closures International B.V. to secure the 2028 Notes and the 2028 RCF. In accordance with the provisions of the documents governing the 2028 Notes and the 2028 RCF, certain members of the Guala Closures Group are expected to provide additional security and guarantee Guala Closures' obligations under the 2028 Notes and the 2028 RCF.



(30) Related party transactions

Transactions with the key management personnel are set out below:

(€'000)	Costs recognised in the period						Accrual for		
	Fees for positions held	Incentives	Remuneration for employment	Accrual for post- employment benefits and other supplementary pension funds	Non- cash benefits	Total	post- employment benefits at September 30, 2021	Other liabilities at September 30, 2021	Cash flows for the period
Total key management personnel	694	934	1,429	13	242	3,312	1	64	6,481

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

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.

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

In light of the above, there is a risk that the tax authorities could file a rescission action against the company by February 2022, due to the fact that the company only initiated its own legal proceedings for the right to exclude the ICMS tax from the basis of the calculation of PIS and COFINS taxes in June 2017. However, should this happen, the company believes it has strong arguments to defend the position taken. The amount involved in the disputes totalled approximately R\$ 2.0 million, equals to EUR 0.3 million, (July 2012 to March 15, 2017) at September 30, 2021 plus interest and penalties.

A tax audit was opened in India by the local Transfer Pricing Officer, after which, the entire management fees paid by Guala Closures India were disallowed as the arm's length price was calculated as 'nil'. The Transfer Pricing Officer applied the same adjustment to all the opened years, from 2011–12 FY 2017–18, for a total taxable amount of about INR 400 million (EUR 4.6 million). Guala Closures India submitted evidence to the Transfer Pricing Officer in order to prove receipt of service and consequential benefits that have not been considered at this stage in line with the provisions of the local tax authorities. While the level of documentation doesn't necessarily have an impact on lower-level authorities, robust documentation is critical to demonstrate and build a strong case before the appellate authority, i.e. the Income Tax Appellate Tribunal. Based on the documents collected about the costs under dispute and based on various local jurisprudence available on this topic, the company believes it has necessary evidence to defend its position before the appellate authority.

(32) Events after the reporting period

Guala Closures Chile

In the month of October, the Chilean subsidiary had to stop its production activities, in order to undergo the procedure to get a new license (that it is foreseen to be final).

Despite such administrative activity is still in progress, at the beginning of November, the Chilean company has been authorized to re-open the facility, re-starting the regular production.

Such circumstances have not determined any material impacts for the Group's results.

Guala Closures Servicios Mexico

All the labor force occupied in Guala Closures Mexico Sa de CV have currently a labor relation with the Guala Closures Servicios Mexico, who is acting as service supplier for Guala Closures Mexico Sa de CV.

Due to the change in the Mexican legislation, that does not allow anymore the existence of service companies providing labor force to third parties, it has been decided to merge the company Guala Closures Maxico de Servicios into Guala Closures de Mexico SA de CV, which will remain the sole Mexican entity of the Group.



As a result of such merger the employees of Guala Closures Servicios Mexico will become employees of Guala Closures Mexico Sa de CV.

Such merger will be effective from December 2021.

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

November 18, 2021