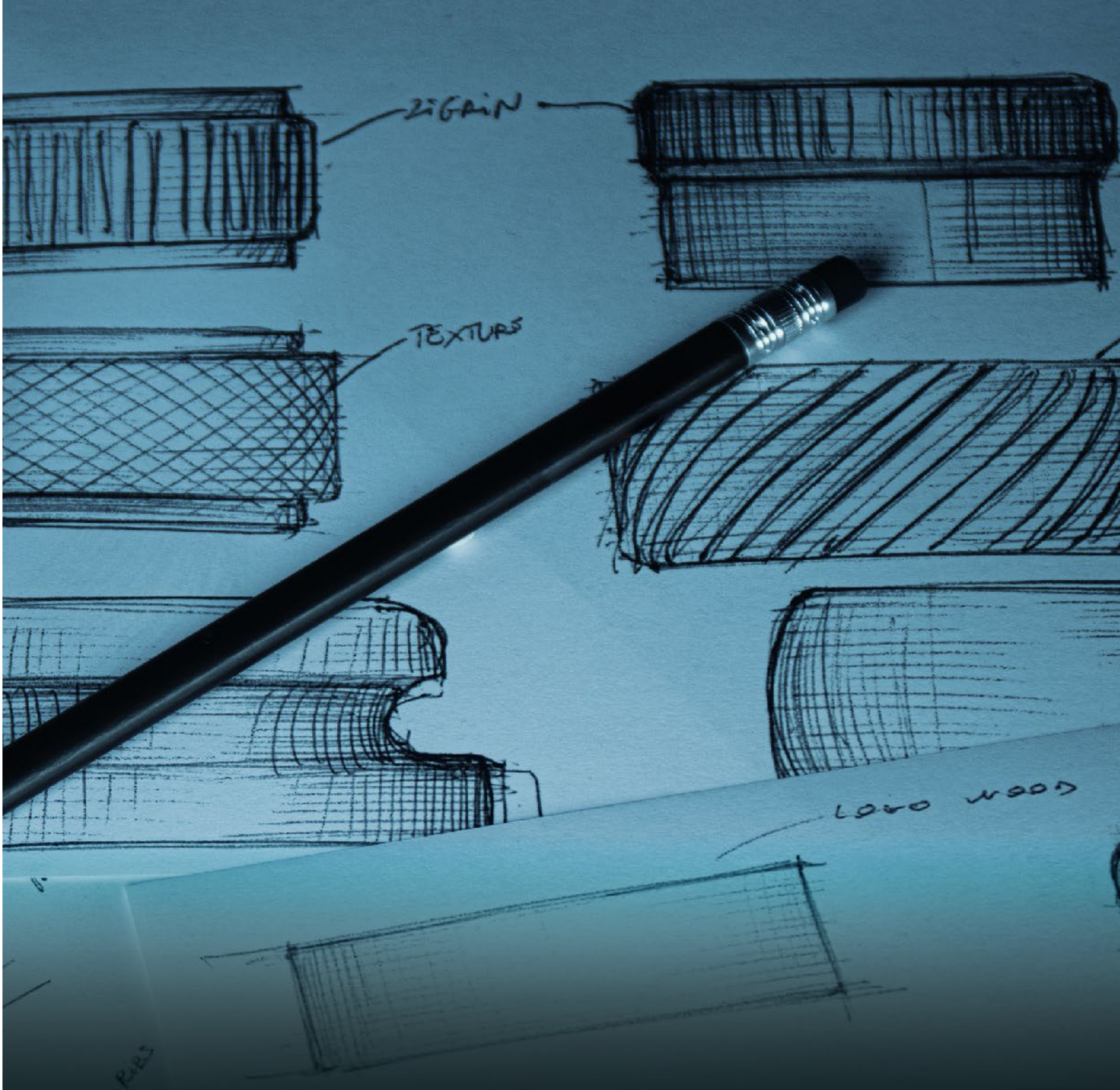


Guala Closures

ANNUAL REPORT
2023

Translation from the Italian original which remains the definitive version.
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

2023 GROUP HIGHLIGHTS

1954 Establishment	**33** Production sites	**>5,000** Employees	**836M €** Turnover 2023	**7** R&D Centres UK, Ukraine, Bulgaria, China, Mexico and 2 in Italy
16bn Closures per year	**300+** Closure models	**3** Product lines: safety, luxury and roll-on	**210+** Active intellectual property rights	**100** Countries where we have strong customer partnerships

NET REVENUE BY GEOGRAPHICAL SEGMENT

EUROPE	AMERICAS	ASIA	OCEANIA	AFRICA	GROUP
€468.2m	€225.9m	€83.9m	€35.6m	€22.6m	€836.2m
56.0%	*27.0%*	*10.0%*	*4.3%*	*2.7%*	*100.0%*

NET REVENUE BY PRODUCT

SAFETY	LUXURY	ROLL-ON	OTHER REVENUE	GROUP
€296.4m	€116.3m	€385.9m	€37.5m	€836.2m
35.5%	*13.9%*	*46.1%*	*4.5%*	*100.0%*

NET REVENUE BY DESTINATION

SPIRITS	WINE	WATER	NON-ALC. BEVERAGES	OLIVE OIL & CONDIMENTS	OTHER MARKETS	GROUP
€568.2m	€129.4m	€69.8m	€21.7m	€14.3m	€32.8m	€836.2m
68.0%	*15.5%*	*8.3%*	*2.6%*	*1.7%*	*3.9%*	*100.0%*

Letter to stakeholders

Dear stakeholders,

2023 was a challenging year for our industry given the unfavourable market conditions due to a negative combination of factors: the “system destocking” on one side and lower demand on the other.

In this context, thanks to the strong focus on the 3 key pillars of its Development Strategy (Excellence, Innovation and Sustainability), aimed at creating value for shareholders, generating safety and well-being for its employees as well as demonstrating social responsibility and a focal attention on reducing its environmental impact, Guala Closures Group was able to defend its top line and even improve its profitability.

Organic net sales amounted to €824m in 2023, decreasing by 8.5% compared to 2022; nevertheless, the Group was able to gain market share and share of wallets in certain geographies and segments, reflecting Guala’s commitment to excellence and collective ability to adapt and thrive in challenging times.

Despite the decline in net sales, organic adjusted EBITDA reached €180m in 2023, showing a significant growth compared to 2022 (€12m in absolute terms and 7 pps in percentage terms). This improvement can be attributed to a synergic blend of factors: better sales mix/higher average selling prices (mainly due to a variety of premiumisation initiatives), operational improvements and overheads control.

2023 also marked an important change in the Group structure thanks to the acquisition of Yibin Fengyi Packaging Co., Ltd (“Fengyi”), one of the leading closures and boxes manufacturers in China operating within the high-end Baijiu market and thus, reinforcing Guala Closures Group presence in China.

Mauro Caneschi

CEO

(signed on the original)

COMPANY OFFICERS

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

Contents

GENERAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

OTHER INFORMATION

3. Separate financial statements of Guala Closures S.p.A. as of December 31, 2023

DIRECTORS' REPORT

GUALA CLOSURES GROUP

1.1 INTRODUCTION

€ 836m
2023 NET REVENUE

SALES NETWORK
IN OVER **100**
COUNTRIES

Around **16 BILLION**
CLOSURES
PRODUCED IN 2023

3 **PRODUCT**
CATEGORIES

OVER
210 INTELLECTUAL
PROPERTY RIGHTS

33 PRODUCTION
PLANTS &
1 SALES OFFICE

> 5,000
EMPLOYEES
AROUND THE WORLD

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

In 2023, the Group produced and sold around 16 billion closures across its 3 product lines (safety, luxury, roll-on) and across 5 destination markets (spirits, wine, water, other non-alcoholic beverages, edible oil & condiments).

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

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

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

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

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

Vision and mission

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

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

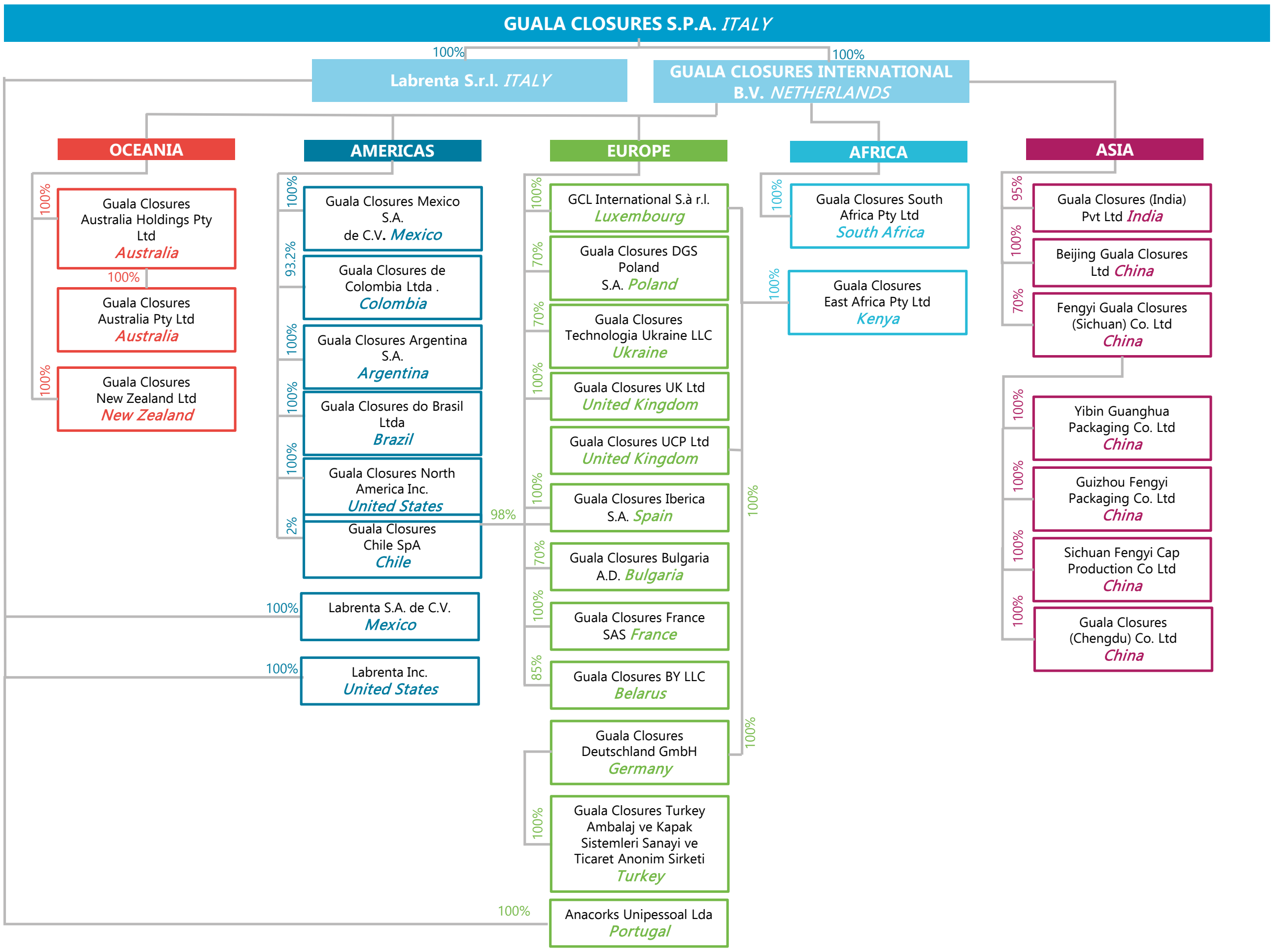
The pillars that guide group's vision and mission

- **EXCELLENCE:** the group works to provide the best possible products and services, aiming to make our customer's brands stand out.
- **SUSTAINABILITY:** Guala Closures is committed to promoting the goal of continuous and constant sustainable development in all companies within the group, in order to contribute to growth that respects the environment, the society and the economy.
- **INNOVATION:** the Group explores new solutions and opportunities, sets up integrated projects able to overcome traditional aesthetic canons. Through research and development, Guala Closures improves production processes with an innovative approach, in order to offer products that stand out in today's increasingly competitive market.

1.2 THE GROUP STRUCTURE

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

The following chart illustrates the Group structure at December 31, 2023 (companies consolidated on a line-by-line basis):

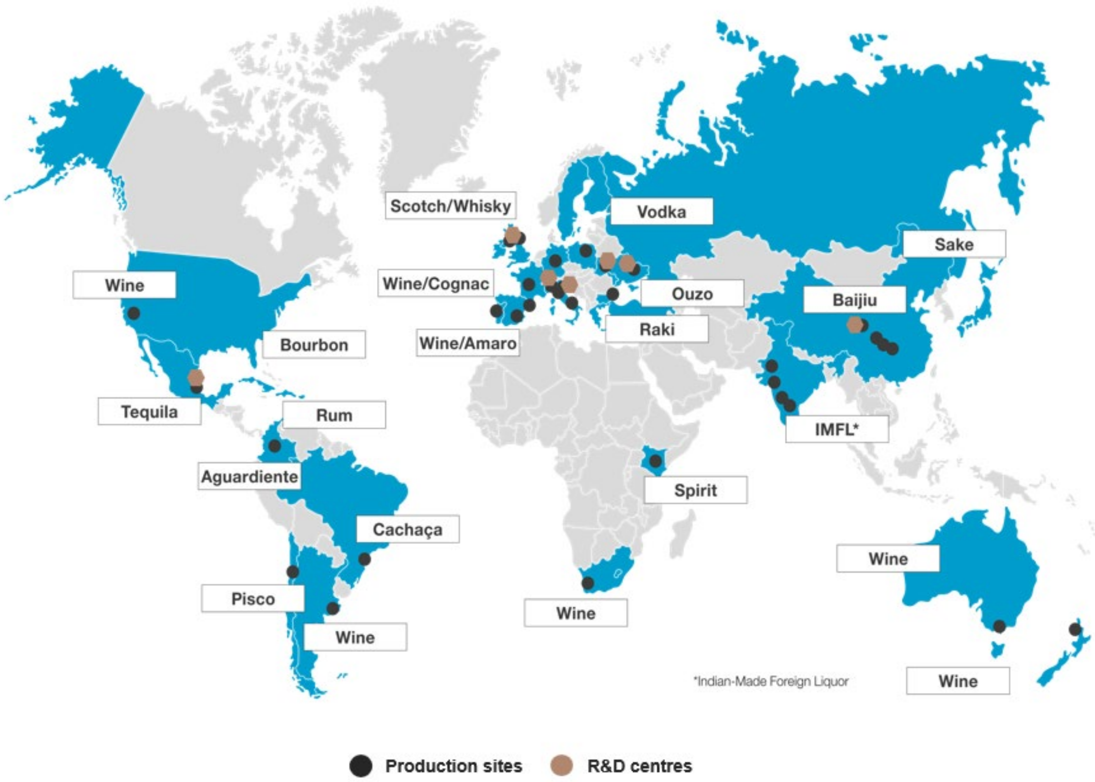


The Group structure changed during 2023 as follows:

- On June 29, 2023, Guala Closures S.p.A. signed a settlement agreement relating to the acquisition of Labrenta S.r.l., which occurred in October 2022. In the context of the settlement agreement Guala Closures also exercised the option for the transfer of Anacorks Stake (Portugal). The acquisition was finalized in September 2023;
- On October 31, 2023, following the agreement reached on July 25, Guala Closures International B.V. entered into a sale and purchase agreement with Mr. Yinzhang Zhu and Ms. Yumin Zhuo to acquire the majority shareholding in Yibin Fengyi Packaging Co. Ltd. (renamed as "Fengyi Guala Closures (Sichuan) Co. Ltd"), which owns three other entities: Yibin Guanghua Packaging Co. Ltd, Guizhou Fengyi Packaging Co. Ltd and Sichuan Fengyi Cap Production Co Ltd. The Group is based in Yibin – China and operates mainly in the production and sale of plastic liquor bottle closures and boxes.
- In December 2023 Labrenta S.r.l. sold the company Labrenta South America to Cortapedra.

1.3 INTERNATIONAL FOOTPRINT

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



1.4 PRODUCT LINES AND DESTINATION MARKETS

In 2023, the Group produced and sold around 16 billion closures in three product lines across five destination markets

Product lines:

Safety closures:

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

Luxury closures:

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

Roll-on:

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

Destination markets:

Spirits:

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

Wine:

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

Water:

The Group produces aluminium closures for sparkling and still mineral water in glass bottles, supplying some of the leading international brands with standard or tamper-resistant security seals that enables recognition of the first opening of the bottle, guaranteeing product security.

Other non-alcoholic beverages:

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

Edible oil & condiments:

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

1.5 INNOVATION AND ECODESIGN

Achieving the goals set through the Sustainable Together 2030 program implies constantly investing in research and development of new solutions capable of:

- respond to customer and market needs;
- minimise negative impacts on the environment;
- provide high levels of safety and product quality;
- respond to new packaging regulations.

For this reason, the Guala Closures Group, thanks to the expertise of all departments, has developed over the years a design method that is based on four principles, enclosed in the guidelines for product eco-design.

1. **DESIGN TO REDUCE**
   Principle based on saving everything that is not necessary, reducing the amount of resources used to make a product has a lower impact on the environment.
2. **DESIGN TO CHANGE**
   Principle based on the reduction of the use of exhaustible resources through the evaluation of alternative ones. An example of this is the use of recycled products (where possible) and products from renewable materials.
3. **DESIGN TO FADE**
   A principle that leads us to think in terms of the end of life, studying materials that are biodegradable and that are not destined for landfill or incineration.
4. **DESIGN TO REVIVE**
   This principle leads to the design of recyclable closures at the end of their life, while at the same time helping to save virgin raw materials.

1.6 STRATEGY

Guala Closures Group's commitment to sustainability came to fruition in 2011 with an initial programme involving Italian plants.

In 2016, the sustainability programme was extended to the entire group and has led to many successes, including the launch of the Diversity and Inclusion Charter and its entry into the UN Global Compact.

To contribute more and more to building a better future for its entire value chain, in 2023 the group launched its third "Sustainable Together 2030" programme.

FINANCIAL PERFORMANCE

2.1 GROUP PERFORMANCE

Key figures

(€m)	2022	2023	*% variation*	2022 PF [4]	2023 PF [4]	*% variation*
Net revenue	**881.0**	**836.2**	***(5.1)%***	**900.2**	**868.5**	***(3.5)%***
Adjusted gross operating profit (Adjusted EBITDA)[1]	**163.7**	**180.5**	***10.3%***	**167.9**	**186.0**	***10.8%***
Adjusted gross operating profit (Adjusted EBITDA) [1] margin	***18.6%***	***21.6%***		***18.7%***	***21.4%***	
	Dec 31, 2022 [(3)]	**Dec 31, 2023**				
Net financial indebtedness [2]	**482.8**	**727.8**				
Employees		5,308				
Facilities: 33 production facilities and 1 sales office in 25 countries on 5 continents						
Intellectual property rights		over 210				

Note:

[(1)] Reference should be made to the section Alternative performance indicators – Guala Closures Group in this report for information on the alternative performance indicators, such as adjusted gross operating profit.
[(2)] Net financial indebtedness consists of the financial liabilities minus cash and cash equivalents, as well as financial assets.
[(3)] Dec 2022 figures restated following finalization of the purchase price allocation procedure for Labrenta
[(4)] 2022 PF includes twelve months Labrenta - 2023 PF includes twelve months Anacorks and FengYi

After a 2022 marked by a strong growth due to the final impacts of Covid-19 and precautionary purchases in a context of supply chain tensions, net revenue in 2023 decreased by 5.1% compared to the previous year and was also affected by the actions of stock reduction of our main clients.

Notwithstanding the decrease in revenue, Adjusted EBITDA margin increased by 3 percentage points from 18.6% to 21.6% reflecting a synergetic blend of factors: (i) better sales mix/higher average selling prices (mainly due to premiumization initiatives), (ii) operational improvements and (iii) overheads control.

Net financial indebtedness at December 31, 2023 (€728 million) is higher than at December 31, 2022 (+€245 million), mainly due to dividends paid to shareholders (€250 million) following the issuance of floating rate senior secured notes (€350 million), to capex expenditure (€70 million), to the acquisition of FengYi (€30.5 million) and to interest expense (€28 million), partially offset by operating cash flow (€149 million).

Significant events of the year

The main events which affected the Guala Closures Group in 2023 are summarised below:

BUSINESS:

- **Guala Closures Bulgaria Amendment to Shareholders' Agreement**

On February 2, 2023, Guala Closures International B.V. and TD Partners agreed an amendment to the Shareholders' Agreement signed in 2010, which provides, among other things, new trigger events for the put and call option rights as well as the definition of "Fair Market Value" to be applied in case such rights are exercised.

- **Guala Closures Chengdu**

In 2023, Guala Closures Chengdu completed the preparation of the new production site in Qionglai.

In July 2023, Beijing Guala Closures ceased production in Beijing' and all production activities, starting in September 2023, were transferred to the new site in Qionglai.

- **Acquisition of majority shareholding in Fengyi Guala Closures**

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

Fengyi has a production capacity of approximately 400 million closures and 5 million boxes a year. In 2022 it achieved a turnover of approximately €31.6 million, with an EBITDA of €4.5 million. In the 2023 pro-forma figures, FengYi group realized a turnover of approximately €41.5 million and adj EBITDA of approximately of €5 million. Fengyi has around 450 employees.

In relation to the agreement, the Purchase Price at closing was RMB 120.2 million (RMB 95.2 million paid at closing and the remaining RMB 25 million paid in two equal instalments, half at the 12th month and half at the 24th month after the conclusion of the agreement) plus the contribution for a 30% shareholding in Guala Closures Chengdu Co. Ltd. for a total consideration of €21.1 million.

The sale agreement provides a maximum earn-out to the sellers equal to RMB 31 million, based upon certain thresholds for the delta between EBITDA 2023 and EBITDA 2022.

The Group recognised a provisional goodwill of €15.1 million (for additional information refer to note (5) Acquisitions of subsidiaries, business units and non-controlling interests).

Labrenta settlement agreement

On June 29, 2023, Guala Closures S.p.A. signed a settlement agreement relating to the acquisition of Labrenta S.r.l., which occurred in October 2022. The settlement agreement defined earn-out and other purchase price adjustments. In accordance with the settlement, no variable and/or additional compensation payments to Cortapedra are now contemplated.

In the context of the settlement agreement, the Group, through Labrenta S.r.l., also exercised the option with Cortapedra S.r.l. for the transfer of Anacorks Stake. The acquisition of the entire share capital of Anacorks Unipessoal Lda took place on September 18, 2023.

With the same agreement was also provided that Labrenta S.r.l. would have sold the company Labrenta South America to Cortapedra, and at the same time Labrenta South America would have sold to Guala Closures do Brasil all the assets and inventory concerning the closure business; all the relevant considerations would have been taken into account for the payment of the second tranche of price owed by Guala Closures S.p.A. to Cortapedra S.r.l., for the acquisition of Labrenta, which would have been adjusted accordingly.

By means of the addendum signed on December 13, 2023 was agreed that the second tranche of purchase price is reduced of the consideration owned by Cortapedra S.r.l. to Labrenta S.r.l. for the acquisition of Labrenta South America, while the consideration due by Guala Closures do Brasil to Labrenta South America will dealt separately, and will be paid offsetting of a commercial credit of Labrenta S.r.l. vis-à-vis Labrenta South America that will be assigned to Guala Closures do Brasil.

According to the agreement reached, Labrenta South America Embalagens Ltda., which in the meanwhile changed its name into Riverpack Embalagens Ltda., shall maintain solely the glass business, while the closures business, encompassing any relevant machinery and inventory, will be transferred to Guala Closures do Brasil Ltda.

Acquisition of a further stake of 15% in Guala Closures BY LLC

On August 2, 2023, Guala Closures International B.V. achieved an agreement with one of the minority shareholders for the acquisition of a further 15% shareholding in the company for a symbolic consideration of €1. Following this transaction, the Group investment in Guala Closures BY LLC increased from 70% to 85%, while the remaining shares are now held by the company itself.

Sale of the participation held in Sharpend

On September 26, 2023, the controlled entity GCL International S.à r.l. reached an agreement for the sale of shares to the value of 30% of the share capital, held in the company Sharpend limited, as that company was no longer strategic.

Transfer of the IP Rights of GCL International S.à r.l.

On October 26, 2023, GCL International S.à r.l. sold to Guala Closures S.p.A. all its intellectual property rights for a consideration equal to €3.2 million according to the evaluation made by a third-party expert.

Such intellectual property rights include those developed by GCL International S.à r.l. and those previously acquired from Obrist in the context of the UCP acquisition.

GCL International S.à r.l. is expected to be liquidated by the end of 2024.

GOVERNANCE:

Organization

In July 2023, the Group appointed three Senior management positions: Luca Mammola as Chief Financial Officer, Andrea Cappelletto as Managing Director of Labrenta and Jonathan Marshall as Business Development Manager Spirits (Global).

As agreed at the outset of Gabriele Del Torchio's appointment, the succession plan is being implemented, with Gabriele Del Torchio transitioning to the role of Chairman and Mauro Caneschi taking over as Chief Executive Officer. Mauro Caneschi joins from the Campari Group, where he was responsible for the Americas, Campari's largest business division accounting for more than 40% of EBIT. Previously, he held responsibilities in Heineken, Scottish & Newcastle and Danone Group.

Mauro Caneschi has been appointed as Group CEO on September 27, 2023.

With effect from December 31, 2023, Mr. Franco Bove stepped down as Chief Operating Officer of Guala Closures, but he remains with the Group as a member of the board of directors of Guala Closures.

REFINANCING:

New Bond Offering, RCF increase and hedging

On October 13, 2023, Guala Closures issued €350 million of new senior secured floating rate notes due in 2029 (the "**2029 Notes**") under an indenture among, inter alios, Guala Closures, U.S. Bank Trustees Limited, as trustee and security agent (the "**2029 Notes Indenture**"). The proceeds of the 2029 Notes have been used to fund a distribution to the shareholders in Guala Closures, the purchase price for the acquisition of Yibin Fengyi Packaging Co. Ltd ("Fengyi") and cash on balance sheet for general corporate purposes (including to fund further bolt-on acquisitions), and to pay fees and expenses associated therewith.

The 2029 Notes carry interest at a rate equal to three-month EURIBOR (subject to a 0% floor) plus 4.00% per annum, reset quarterly, payable quarterly in arrears on each of December 15, March 15, June 15 and September 15, beginning on December 15, 2023.

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

The 2029 Notes are guaranteed on a senior basis by the subsidiaries of Guala Closures, which also guarantee the existing 2027 RCF and the 2028 Notes. The 2029 Notes and the related guarantees are secured on a first-ranking basis by the same collateral that secures the 2027 RCF and the 2028 Notes.

The 2029 Notes Indenture contains the same key covenants based on incurrence tests included in the 2028 Notes Indenture. Among other things, such covenants limit the ability of Guala Closures and its restricted subsidiaries to incur or guarantee additional indebtedness and issue certain preferred stock, pay dividends, redeem capital stock and make certain investments, make certain other restricted payments, create or permit to exist certain liens, impose restrictions on the ability of its subsidiaries to pay dividends or make other payments, dispose of its assets, merge or consolidate with other entities, and impair the security interests for the benefit of the holders of the Notes. Each of these covenants is subject to a number of important limitations and exceptions.

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

In order to hedge its exposure to the 2029 Notes' floating interest rate, on October 13, 2023, Guala Closures S.p.A. entered into (i) an ISDA Master Agreement with each of Deutsche Bank AG and UniCredit S.p.A. (each, an "ISDA"), which are each in compliance with and secured by the Intercreditor agreement among the Company, U.S. Bank Global Corporate trust Limited as Original Super Senior Agent, U.S. Bank Trustees Limited as Security Agent, and others; and (ii) an Interest Rate Collar transaction referencing the full principal amount of the 2029 Notes in order to hedge the Company's exposure to the floating interest rate payable on the 2029 Notes.

Guala Closures negotiated two different Zero Cost Collars derivatives, both ending in October 2027, one for a notional price of €175 million, tenor 4 years, cap 4%, floor 2.376% and one for a notional price of €175 million, tenor 4 years, cap 4%, floor 2.380%.

Transaction costs for the transaction described above amounted to around €14 million.

Distribution of dividends to the shareholders

On September 29, 2023, Guala Closures S.p.A. shareholders' meeting declared a dividends distribution of €250 million to the company's shareholders upon completion of the new bond offering.

Russia – Ukraine conflict

The Group is continuously monitoring the conflict which started in February 2022, actively working to optimize the organization of production and logistic. No business interruption occurred in 2023 and in the first months of 2024 and no impact on customers service, thanks to the Group business model which guarantees product delivery thanks to the availability of alternative production sites within the Group.

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

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

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

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

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

FINANCIAL PERFORMANCE

ANALYSIS OF THE FINANCIAL PERFORMANCE

The table below summarises the financial performance of the Guala Closures Group for 2022 and 2023. For comparative purposes, the 2023 figures include the effect of the consolidation of the Labrenta Group for 12 months in 2023 (3 months in 2022) and those of the Fengyi Group and Anacorks (acquired in the last quarter 2023).

Statement of profit or loss	**2022 (*)**		**2023**	
	(€'000)	***% of net revenue***	***(€'000)***	***% of net revenue***
Net revenue	**881,047**	***100.0%***	**836,180**	***100.0%***
Change in finished goods and semi-finished products	17,752	*2.0%*	(12,216)	*(1.5%)*
Other operating income	5,308	*0.6%*	16,783	*2.0%*
Internal work capitalised	6,050	*0.7%*	7,431	*0.9%*
Costs for raw materials	(427,778)	*(48.6%)*	(355,691)	*(42.5%)*
Costs for services	(158,672)	*(18.0%)*	(152,029)	*(18.2%)*
Personnel expense	(150,461)	*(17.1%)*	(164,655)	*(19.7%)*
Other operating expense	(18,587)	*(2.1%)*	(21,245)	*(2.5%)*
Impairment losses	(10,313)	*(1.2%)*	(4,457)	*(0.5%)*
Gross operating profit (EBITDA)	**144,346**	***16.4%***	**150,099**	***18.0%***
Amortisation and depreciation	(54,371)	*(6.2%)*	(53,248)	*(6.4%)*
Operating profit (EBIT)	**89,975**	***10.2%***	**96,851**	***11.6%***
Financial income	20,930	*2.4%*	19,183	*2.3%*
Financial expense	(43,732)	*(5.0%)*	(63,349)	*(7.6%)*
Net financial expense	**(22,802)**	***(2.6%)***	**(44,166)**	***(5.3%)***
Profit before taxation	**67,172**	***7.6%***	**52,686**	***6.3%***
Income taxes	605	*0.1%*	(29,255)	*(3.5%)*
Profit for the period	**67,778**	***7.7%***	**23,431**	***2.8%***
Attributable to:				
- the owners of the parent	54,574	*6.2%*	13,547	*1.6%*
- non-controlling interests	13,204	*1.5%*	9,884	*1.2%*

Adjusted gross operating profit (Adjusted EBITDA)	**163,738**	***18.6%***	**180,525**	***21.6%***

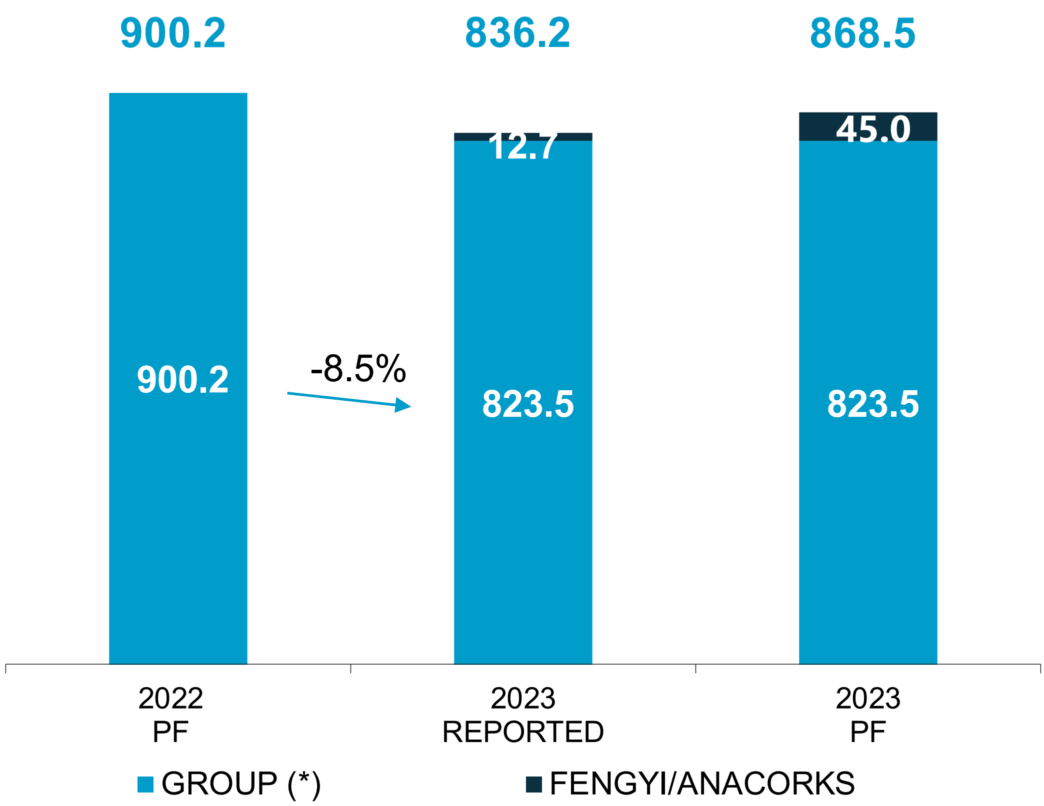
Note:

For information on the calculation of the adjusted gross operating profit reference should be made to page 41.

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

NET REVENUE

The following chart illustrates the 2023 trend in revenue compared to 2022.

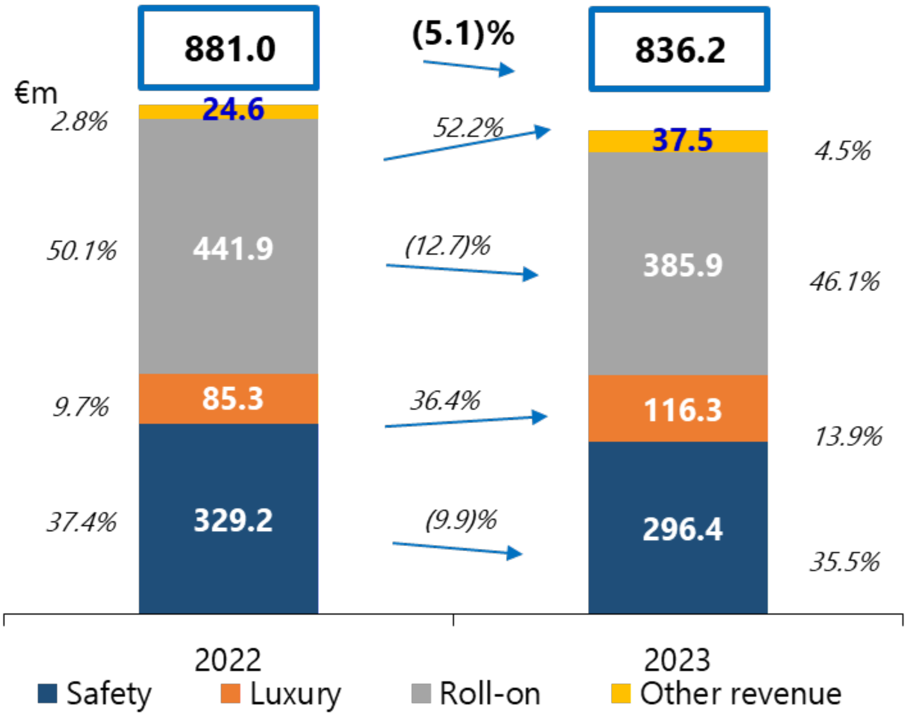


GROUP (*) without Anacorks and FengYi
2022 PF including 12 months Labrenta
2023 PF including 12 months Anacorks and 12 months FengYi

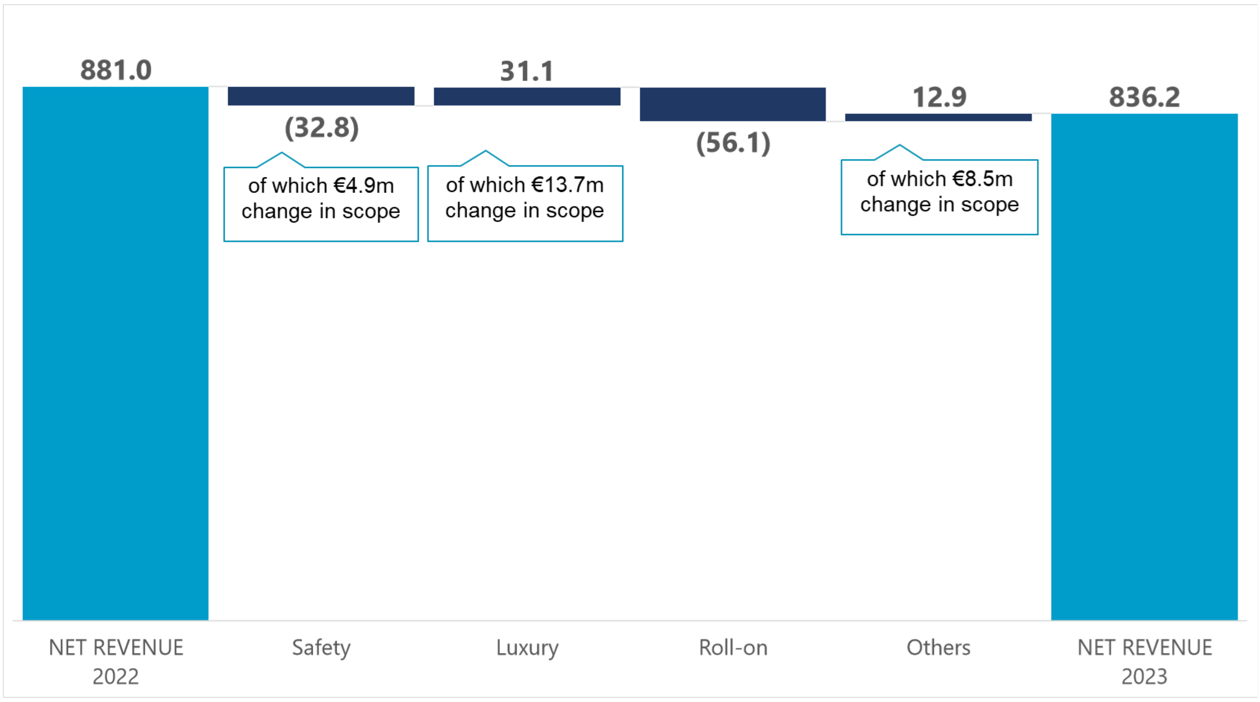
In 2023, consolidated net revenue was €836 million, down €64 million (-7.1%) compared to 2022 PF figures, mainly due to lower quantities sold. The organic reduction of €76.7 million (-8.5%) (excluding three months revenues coming from Anacorks acquisition of €0.8 million and two months from Group FengYi acquisition of €11.9 million) is mainly due to the decrease in the Roll-on and safety segments.

NET REVENUE BY PRODUCT

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



2022 figures have been restated to be consistent with 2023 classification

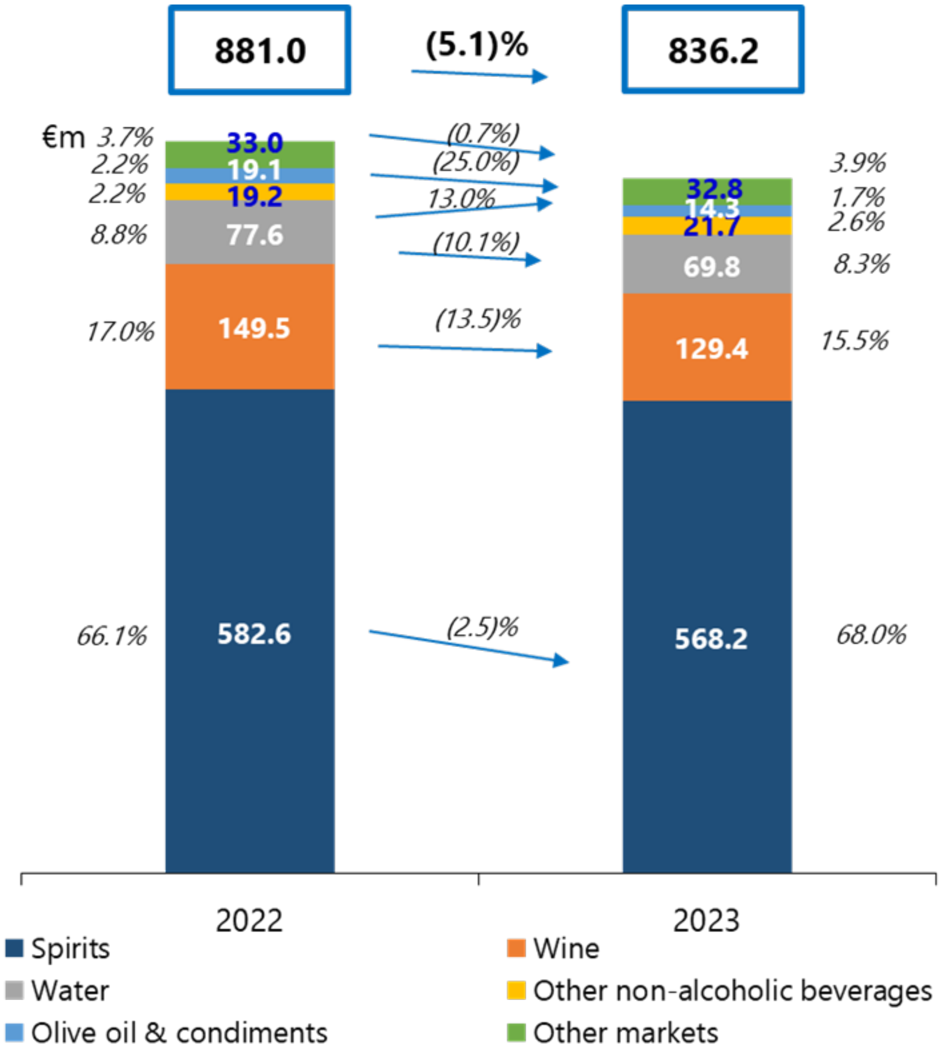


The change in scope includes nine months revenues coming from Labrenta (€14.4 million), three months revenues coming from Anacorks acquisition (€0.8 million) and two months from Group FengYi acquisition (€11.9 million).

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

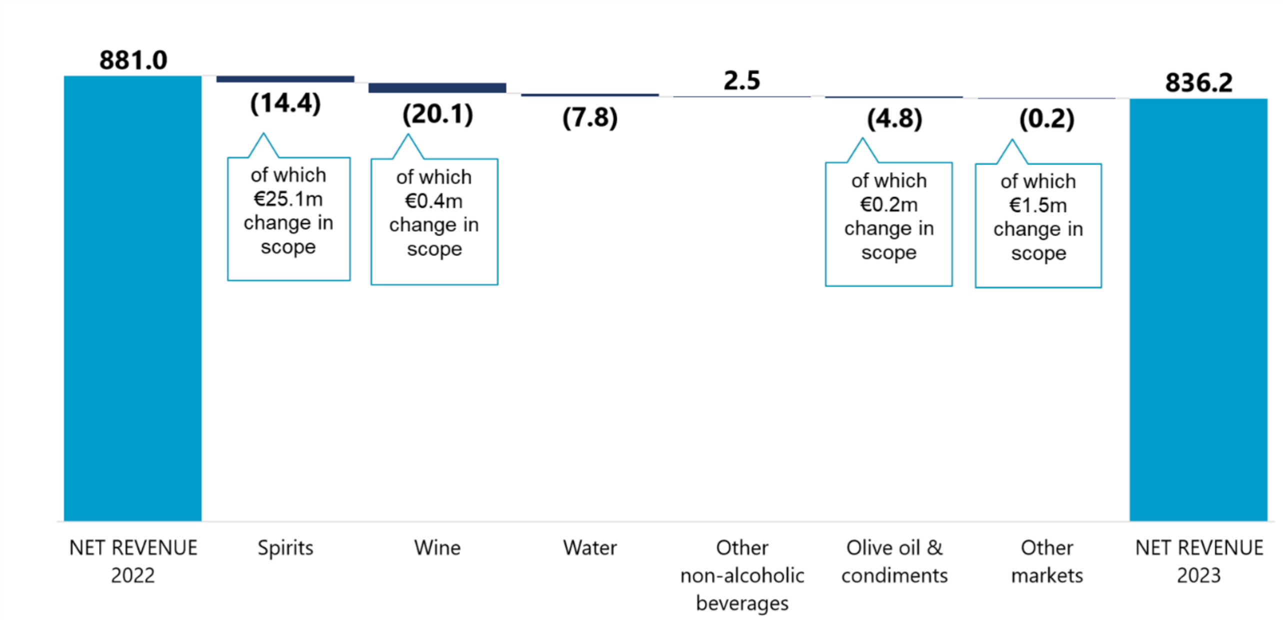
NET REVENUE BY DESTINATION MARKET

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



Source: *Internal data*

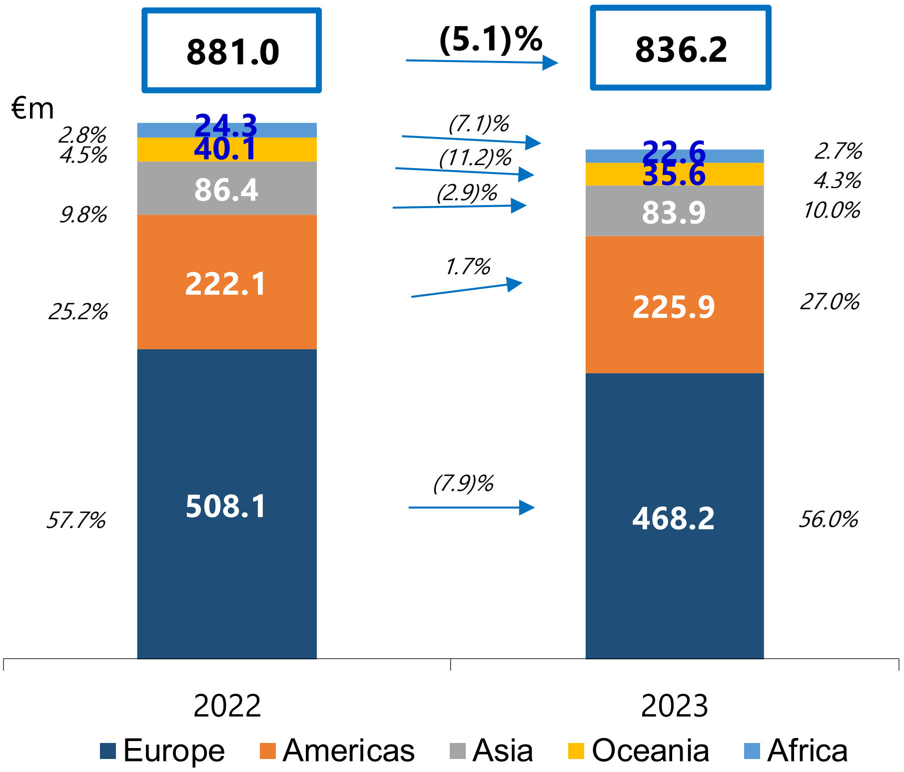
2022 figures have been restated to be consistent with 2023 classification



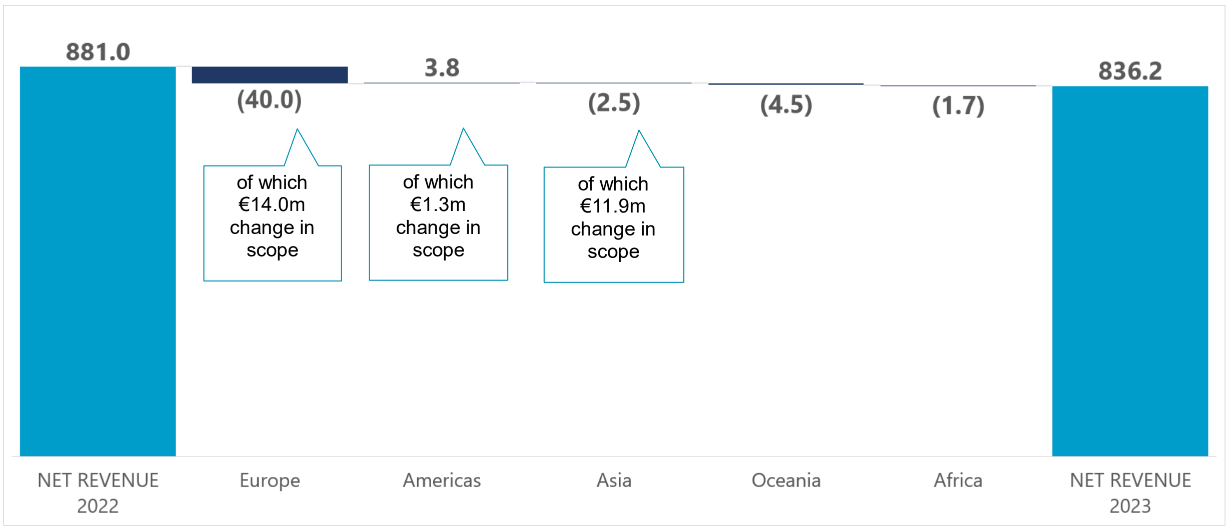
Distinction between Water and Other non-alcoholic beverages should be taken as indicative.

NET REVENUE BY GEOGRAPHICAL SEGMENT

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



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



Revenue decrease was stronger in Europe which had also benefited from precautionary buys in 2022 after supply chain disruptions.

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

OTHER OPERATING INCOME

Other operating income mainly includes government grants and insurance recovery. The increase compared to 2022 is mostly attributable to insurance reimbursement received for an incident occurred in Magenta amounting to €11.4 million.

INTERNAL WORK CAPITALISED

This caption increased by €1.4 million from €6 million in 2022 (0.7% of net revenue) to €7.4 million in 2023 (0.9%). Internal work capitalised includes capitalised development expenditure and internal personnel expense for extraordinary maintenance on property, plant and equipment and increases of internal resources dedicated to SAP implementation.

COSTS FOR RAW MATERIALS

Costs for raw materials decreased by €72.1 million from €427.8 million in 2022 (48.6% of net revenue) to €355.7 million in 2023 (42.5%).

COSTS FOR SERVICES

Costs for services decreased by €6.7 million from €158.7 million in 2022 (18.0% of net revenue) to €152.0 million in 2023 (18.2%). Compared to 2022, the decrease is mainly due to lower utilities costs, both energy and gas.

PERSONNEL EXPENSE

Personnel expense increased by €14.2 million from €150.5 million in 2022 to €164.7 million in 2023. Such evolution mainly reflected the following impacts: (*i)* the consolidation of the Labrenta business for additional 9 months in 2023 and of Anacorks and FengYi in the last quarter 2023; (*ii)* the inflation in wages and salaries and *(iii)* some specific impacts (new management bonus scheme and incentives).

OTHER OPERATING EXPENSE

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

(€'000)	2022	2023	diff.
Accruals to provisions	5,034	8,342	3,308
Taxes and duties	2,923	3,014	91
Use of third-party assets	2,064	2,288	224
Impairment losses on trade receivables and contract assets	2,592	3,318	726
Other charges	5,975	4,282	(1,693)
Total	**18,587**	**21,245**	**2,658**

Other operating expense increased by €2.7 million from €18.6 million in 2022 (2.1% of net revenue) to €21.2 million in 2023 (2.5%), mainly due to higher accruals to provisions mostly for corporate restructuring in the UK.

IMPAIRMENT LOSSES

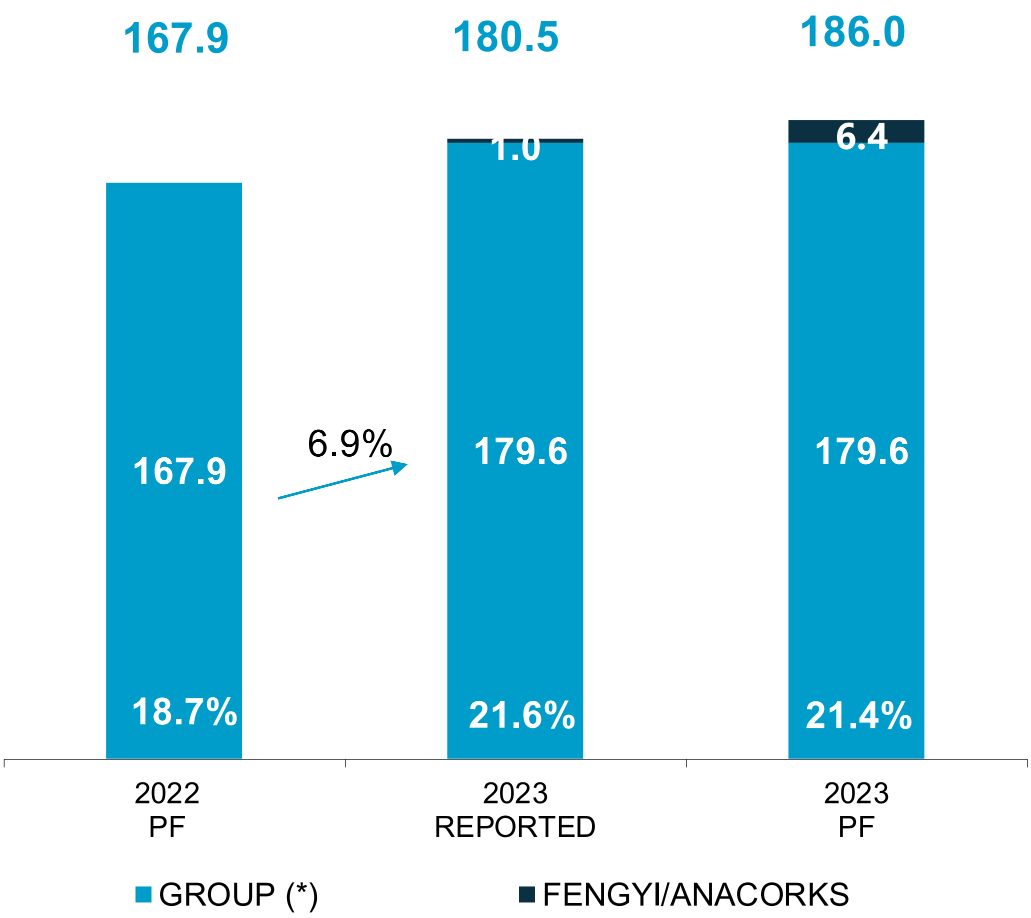
Impairment losses decreased by €5.8 million from €10.3 million in 2022 (1.2% of net revenue) to €4.5 million in 2023 (0.5%). The significant amount in 2022 was mostly attributable to the loss of business in Russia.

ADJUSTED GROSS OPERATING PROFIT

In 2023, the reported adjusted gross operating profit (adjusted EBITDA) was €180.5 million, up €12.6 million (+7.5%) compared to 2022 PF figures (€167.9 million), of which €0.9 million coming from FengYi Group/Anacorks contribution.

The adjusted gross operating profit margin increased from 18.7% of net revenue in 2022 PF to 21.6% in 2023 (21.4% on a pro-forma basis), mainly thanks to better Sales Mix (mainly due to premiumisation initiatives), positive cost/price evolution, operational Improvements and overheads control.

The following chart illustrates the 2023 trend in adjusted EBITDA compared to 2022 (on a pro-forma basis):



GROUP (*) without Anacorks and FengYi
2022 PF including 12 months Labrenta
2023 PF including 12 months Anacorks and 12 months FengYi

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

AMORTISATION AND DEPRECIATION

Amortisation and depreciation decreased by €1.2 million from €54.4 million in 2022 (6.2% of net revenue) to €53.2 million (6.4%).

OPERATING PROFIT

In 2023, the reported operating profit (EBIT) was €96.9 million, up €6.9 million (+7.6%) on 2022 (€90.0 million). Adjusted operating profit in 2023 would be €127.3 million compared to €109.4 million in 2022.

FINANCIAL INCOME AND EXPENSE

The following table breaks down financial income and expense by nature in 2022 and 2023:

(€'000)	2022	2023	diff.
Net interest expense	(19,270)	(25,001)	(5,731)
Net exchange losses	(1,901)	(13,989)	(12,088)
Net fair value losses on financial liabilities to non-controlling investors	(841)	(2,240)	(1,399)
Other net financial expense	(790)	(2,936)	(2,146)
Net financial expense	**(22,802)**	**(44,166)**	**(21,364)**

Net financial expense increased by €21.4 million from €22.8 million in 2022 to €44.2 million in 2023.

Such increase is mainly due to €6.0 million impact from interest expense for new bond issued in 2023, €1.4 million negative effect of higher change in fair value of financial liabilities to non-controlling investors, €12.1 million higher impact of exchange rate losses.

INCOME TAXES

The following table compares the income taxes in 2022 and 2023:

(€'000)	2022 (*)	2023	diff.
Current taxes	(29,746)	(36,509)	(6,762)
Deferred taxes	30,352	7,254	(23,098)
Total income taxes	**605**	**(29,255)**	**(29,860)**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

Income taxes increased by €29.9 million, mainly due to lower deferred taxes income and to higher current income taxes.

In 2022 Deferred taxes income was mainly due to the additional recognition of deferred tax assets on losses carry forward in Guala Closures S.p.A. following the higher taxable income forecasted.

PROFIT FOR THE YEAR

The profit for 2023 amounts to €23.4 million, down €44.3 million on the profit of €67.8 million for the previous year.

The decrease in 2023 is mainly due to the increase in the net financial expenses (€21.4 million) and higher taxes (€29.9 million), partially compensated by higher Operation Profit (€6.9 million).

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

The following table shows the reclassified financial position of the Guala Closures Group as at December 31, 2023 with comparative figures as at December 31, 2022:

(€'000)	December 31, 2022 (*)	December 31, 2023
Intangible assets	846,470	855,727
Property, plant and equipment	222,492	260,949
Right-of-use assets	20,607	20,439
Net working capital	181,264	154,234
Net derivative liabilities	(976)	(6,867)
Employee benefits	(8,055)	(8,545)
Other net liabilities	(80,736)	(87,292)
Net invested capital	**1,181,066**	**1,188,645**
Financed by:		
Net financial liabilities	505,779	857,511
Financial liabilities - Lease	21,226	21,367
Financial liabilities - non-controlling investors	35,260	45,210
Cash and cash equivalents	(79,478)	(196,280)
Net financial indebtedness	**482,787**	**727,808**
Equity	698,279	460,837
Sources of financing	**1,181,066**	**1,188,645**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

INTANGIBLE ASSETS

Intangible assets increased by €9.3 million mainly due to the change in perimeter following to the provisional amounting of Group FengYi/Anacorks acquisition (€15.4 million), to the net increase of the period (€7.1 million) and by the positive translation effect (€1.4 million), partially offset by the amortisation of the period (€14.4 million).

PROPERTY, PLANT AND EQUIPMENT

The €38.5 million increase in property, plant and equipment compared to December 31, 2022 is mainly due to the net investments of the period (€65.4 million), the change in perimeter following to FengYi Group/Anacorks acquisition (€7.5 million), the positive translation impact (€1 million), partially offset by the depreciation of the period (€31.3 million) and the impairment losses (€4.2 million).

Net capital expenditure in 2023, totalling €65.4 million, refers to investments made to increase production capacity, develop new products, perform plant maintenance and EHS (Environment, Health and Safety) investments. Capex mainly refers to equipment across all five continents where the group operates, with a specific focus on the Group's facilities in Italy, UK, Spain, Poland, Mexico, China and India.

The impairment losses mainly refer to GC UCP assets that were used for business that are no longer considered strategic for the Group.

RIGHT-OF-USE ASSETS

At December 31, 2023, right-of-use assets amount to €20.4 million and 2023 balance is in line with the previous year. The increase is fully compensated by the amortization of the period.

NET WORKING CAPITAL

The table below provides a breakdown of net working capital:

(€'000)	**December 31, 2022**	**December 31, 2023**
Inventories	157,192	124,354
Trade receivables	139,583	126,077
Trade payables	(115,511)	(96,196)
Net working capital (*)	**181,264**	**154,234**

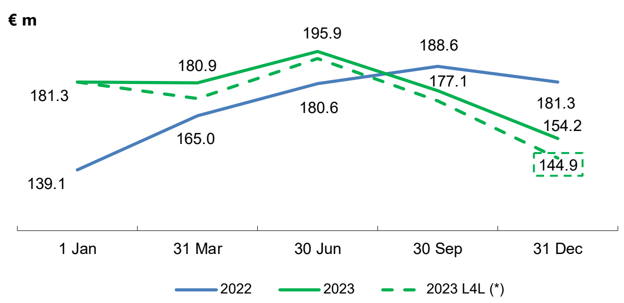
(*) These figures do not match those used to calculate the change in working capital in the statement of cash flows for the applicable year as those amounts have been adjusted to reflect changes in exchange rates on the opening balances and in the number of consolidated companies.
The above net working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

The table and chart below analyse net working capital days, calculated on the last quarter revenue divided by 90 days:

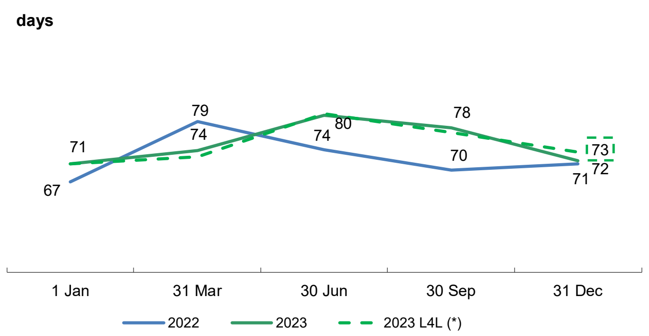
Days	**December 31, 2022**	**December 31, 2023**
Inventories	62	58
Trade receivables	55	59
Trade payables	(45)	(45)
Net working capital days	**71**	**72**

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

VALUE



DAYS



(*) 2023 L4L excludes Labrenta from March to September and Anacorks and FengYi in December

Net working capital at December 31, 2023 decreased by €27.0 million mainly due to lower volumes and net working capital days were one day higher than 2022 mainly due to lower usage of factoring.

OTHER NET LIABILITIES

The table below shows a breakdown of other net liabilities:

(€'000)	December 31, 2022 (*)	December 31, 2023
Deferred tax assets	14,939	20,129
Deferred tax liabilities	(56,276)	(53,497)
Net DTA/(DTL)	**(41,337)**	**(33,368)**
Payables to employees and social security	(20,812)	(22,257)
Provisions	(8,149)	(12,572)
Liabilities for dividends	-	(276)
Liabilities for investments	(4,934)	(9,048)
Other net liabilities	(5,504)	(9,772)
Total net other liabilities	**(80,736)**	**(87,292)**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

EQUITY

The table below shows a breakdown of equity:

(€'000)	December 31, 2022 (*)	December 31, 2023
Equity attributable to the owners of the parent	651,822	408,012
Equity attributable to non-controlling interests	46,457	52,826
Equity	**698,279**	**460,837**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

The decrease in equity is mainly due to the dividend distribution for €250 million to the shareholder and €8.7 million to minority shareholders, partially offset by profit of the period (€ 23.4 million). The details of the above are provided in the statement of changes in equity.

NET FINANCIAL INDEBTEDNESS

The table below gives a breakdown of net financial indebtedness:

(€'000)	December 31, 2022 (*)	December 31, 2023
Net financial liabilities	505,779	857,512
Financial liabilities - IFRS 16 effects	21,226	21,367
Financial liabilities - non-controlling investors	35,260	45,210
Cash and cash equivalents	(79,478)	(196,280)
Net financial indebtedness	**482,787**	**727,808**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

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

In 2023, net financial indebtedness increased by €245.0 million mainly due to the impact of the distribution of €250 million of dividends to shareholders and to the acquisition of FengYi Group (€30.5 million, of which €10.2 million as consideration paid at the acquisition (net of cash acquired), €7.2 million as liability versus FengYi former shareholder, €7.7 million as initial accounting of the put option and €5.4 million as initial indebtedness of FengYi).

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

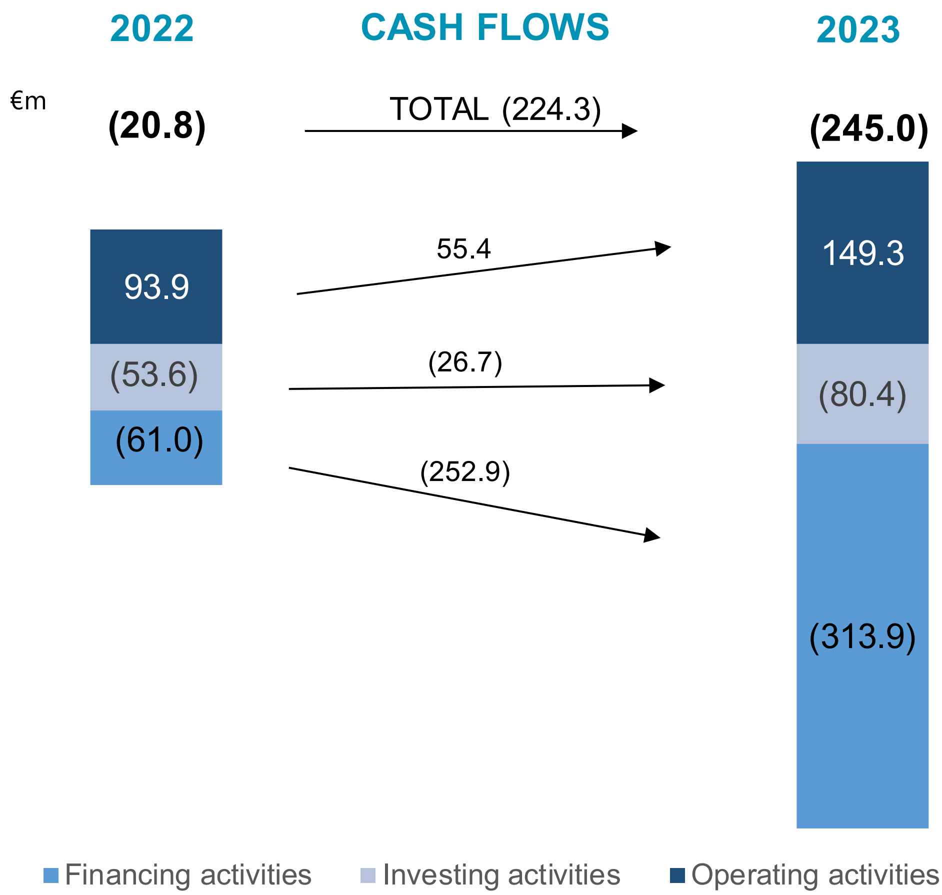
The reclassified statement of changes in net financial indebtedness for 2023, compared with 2022, is given below.

(€'000)	**2022 (*)**	**2023**
A) Opening net financial indebtedness	**(462,024)**	**(482,787)**
Gross operating profit	144,346	150,099
Net gains on sale of non-current assets	(290)	(202)
Change in net working capital	(40,905)	34,451
Other operating items	17,706	1,162
Taxes	(26,952)	(36,228)
B) Net cash flows from operating activities	**93,904**	**149,281**
Capex	(40,299)	(70,215)
M&A Labrenta (2022) / Anacorks (2023) - (net of cash acquired)	(13,324)	22
M&A Fengyi (2023) - (net of cash acquired)	-	(10,174)
C) Cash flows used in investing activities	**(53,623)**	**(80,367)**
Increases in right-of-use assets	(7,371)	(8,797)
Transaction costs not yet paid/(paid) on Bond issued	(486)	2,934
Net interest expense	(19,952)	(27,937)
Dividends paid to shareholders	-	(250,000)
Dividends paid to minorities	(4,649)	(7,767)
Change in financial liabilities for put options	(841)	(2,240)
M&A Fengyi - Initial put option	-	(7,711)
M&A Labrenta - Initial Impact of IFRS 16	(2,907)	-
M&A LB (2022) - Anacorks/Fengyi (2023) - initial indebtedness	(7,142)	(5,710)
M&A LB (2022) - Fengyi (2023) - Indebtedness vs previous shareholders	(13,660)	(7,197)
M&A Labrenta - warranty price adj	1,786	-
Sponsor warrants buyback	(1,000)	-
Other financial items	1,778	2,546
Effect of exchange fluctuation	(6,601)	(2,057)
D) Change in net financial indebtedness due to financing activities	**(61,044)**	**(313,936)**
E) Total change in net financial indebtedness (B+C+D)	**(20,763)**	**(245,021)**
F) Closing net financial indebtedness (A+E)	**(482,787)**	**(727,808)**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

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

The following chart gives a breakdown of the change in net financial indebtedness, detailing the various items in 2023, compared with 2022:



Net cash flows from operating activities

Net cash flows from operating activities total €149.3 million, up €55.4 million on 2022 (€93.9 million) due to the increase in the gross operating profit (EBITDA) (€5.8 million) and the positive change in net working capital (€34.4 million compared to an absorption of €40.9 million in 2022), partially offset by lower other operating items (€16.5 million) and higher cash out for taxes (€9.3 million).

Cash flows used in investing activities

Cash flows used in investing activities were €80.4 million, up €26.8 million on 2022 (€53.6 million).

Such increase is mainly due to higher capital expenditure (€29.9 million) due to higher growth investments made in 2023 for the new site in UK, the capacity expansion in Mexico, the new plant in China and new capacity in Italy.

Investing activities also included the amount paid in 2023 for the acquisition of FengYi (€10.2 million, net of cash acquired).

Change in net financial indebtedness due to financing activities

The change in net financial indebtedness due to financing activities in 2023 amounts to €-313.9 million, up €252.9 million on 2022 (€-61.0 million).

Such increase refers to the following main negative effects:

- Payment of dividends to shareholders (€250 million in 2023) and higher dividends paid to minorities (€3.1 million);
- Higher net interest expense (€8.0 million);
- higher fair value losses on non-controlling investors' put options (€1.4 million);
- increase in right-of-use assets (€1.4 million);

partially offset by the following positive factors:

- lower effect of exchange rate fluctuation (€4.5 million);
- transaction costs unpaid on bond issued in 2023 (€2.9 million) (vs €0.5 million paid in 2022 related to 2021);
- lower increase of net financial indebtedness due to acquisitions (€21.9 million in 2022 for Labrenta compared to €20.6 million in 2023 for Anacorks and FengYi);
- payment for sponsor warrants buyback in 2022 (€1.0 million).

KEY FINANCIAL AND OTHER INDICATORS

Financial indicators

	2022 (*)	2023
Adjusted gross operating profit (Adjusted EBITDA) (€ mln)	163.7	180.5
EBITDA margin (Adjusted gross operating profit/Net revenue)	18.6%	21.6%
ROS (Adjusted operating profit/Net revenue)	12.4%	15.2%
ROE (Net result/Equity)	9.7%	5.1%
ROCE (Adjusted operating profit / (Current Assets - Current Liabilities net of current financial liabilities))	8.0%	8.5%
ROI (Adjusted operating profit/Net invested capital)	9.3%	10.7%
Gearing ratio (Net financial indebtedness/Equity)	0.69	1.58
NWC days (Net working capital/Turnover of last quarter/90)	71	72

***Source**: consolidated financial statements figures company data.*

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

Notes:

- *In relation to the gross operating profit and adjusted gross operating profit, reference should be made to the section "Alternative performance indicators" in this report.*
- *In relation to the net invested capital and net working capital, reference should be made to the reclassified statement of financial position in this report.*

Other indicators

The following table gives a breakdown of the group's personnel by gender and number:

Number	December 31, 2022			December 31, 2023		
	Men	Women	Total	Men	Women	Total
Managers	291	86	377	315	92	407
White collars	651	333	984	655	352	1,007
Blue collars	2,862	817	3,679	2,887	1,007	3,894
Total	**3,804**	**1,236**	**5,040**	**3,857**	**1,451**	**5,308**

In addition, the Group also employed 950 temporary workers as at December 31, 2023 (1,083 as at December 31, 2022).

Alternative performance indicators - Guala Closures Group

In addition to the financial performance indicators required by IFRS, this report includes some alternative performance indicators (gross operating profit (loss), adjusted gross operating profit (loss), operating profit (loss), adjusted operating profit (loss), net financial indebtedness) which, although not required by IFRS, are based on IFRS values.

Management has presented the performance of gross operating profit, adjusted gross operating profit, operating profit and adjusted operating profit because it monitors them at a consolidated level and it believes that these measures are relevant to an understanding of the group's financial performance and should not be considered as substitutes for IFRS indicators.

Gross operating profit (EBITDA) is calculated by adjusting the profit (loss) for the year to exclude the impact of taxation, net financial expense and amortisation/depreciation.

Adjusted gross operating profit (adjusted EBITDA) is calculated by adjusting the profit (loss) for the year to exclude the effect of taxation, net financial expense, amortisation/depreciation and the effects of other costs, such as expense related to the reorganisation costs, merger and acquisition expenses, SAP implementation costs not capitalised, MIP (Management Incentive Plan), change in equity-accounted investments, losses due to war, non-recurring grants, non-recurring expenses and impairment losses.

Operating profit is calculated by adjusting the profit (loss) for the year to exclude the impact of taxation and net financial expense.

Adjusted operating profit (adjusted EBIT) is calculated by adjusting the profit (loss) for the year to exclude the effect of taxation, net financial expense and the effects of other costs, such as expense related to the reorganisation costs, merger and acquisition expenses, SAP implementation costs not capitalised, MIP (Management Incentive Plan), change in equity-accounted investments, losses due to war, non-recurring grants, non-recurring expenses and impairment losses.

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

The **Group L4L** means the Group like-for-like, i.e. figures at a 2022 constant consolidation perimeter.

PF means pro-forma figures, i.e. Labrenta acquisition had taken place on January 1, 2022 or FengYi/Anacorks acquisition had taken place on January 1, 2023.

Adjusted gross operating profit

(€'000)	**2022 (*)**	**2023**
Profit for the period	67,778	23,431
Income taxes	(605)	29,255
Profit before tax	**67,172**	**52,686**
Net financial expense	22,802	44,166
Amortisation and depreciation	54,371	53,248
Gross operating profit	**144,346**	**150,099**
Adjustments:		
Reorganisation costs	4,724	12,166
Merger and acquisition expenses	2,441	4,597
SAP implementation costs not capitalised	-	1,347
MIP (Management Incentive Plan)	-	7,674
Change in equity-accounted investments	2,407	-
Losses due to war	1,007	-
Non-recurring grants	(1,274)	-
Non-recurring expenses	-	218
Impairment losses	10,087	4,423
Adjusted gross operating profit	**163,738**	**180,525**

Adjusted operating profit

(€'000)	**2022 (*)**	**2023**
Profit for the period	67,778	23,431
Income taxes	(605)	29,255
Profit before tax	**67,172**	**52,686**
Net financial expense	22,802	44,166
Operating profit	**89,975**	**96,851**
Adjustments:		
Reorganisation costs	4,724	12,166
Merger and acquisition expense	2,441	4,597
SAP implementation costs not capitalised	-	1,347
MIP (Management Incentive Plan)	-	7,674
Change in equity-accounted investments	2,407	-
Losses due to war	1,007	-
Non-recurring grants	(1,274)	-
Non-recurring expenses	-	218
Impairment losses	10,087	4,423
Adjusted gross operating profit	**109,367**	**127,277**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

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

Reorganization costs mainly refer to restructuring costs in UK and Italy. Non-recurring expenses include personnel seniority increases related to previous years. Impairment losses mainly refer to UK and China.

Net financial indebtedness consists of financial liabilities minus cash and cash equivalents and financial assets as reconciled in Annex B) to this report "Reconciliation between the tables included in the directors' report and the consolidated financial statements". This indicator is shown in order to provide a better understanding of the group's financial position and should not be considered as a substitute for IFRS indicators.

2.2 Guala Closures S.p.A. performance

Operating offices

Guala Closures S.p.A. currently operates in Italy out of the following production facilities and locations:

- Milan, Piazza Vetra 17: headquarter and management operating office

- Alessandria, Via Rana 12 Frazione Spinetta Marengo: the company's registered and operating offices and a plant for the production of plastic safety closures and aluminium closures;

- Termoli (Campobasso), località Pantano Basso Zona Industriale: a plant producing plastic safety closures and aluminium closures;

- Termoli (Campobasso), località Pantano Basso Zona Industriale: a warehouse;

- Basaluzzo (Alessandria), Via Novi 46: a warehouse;

- Basaluzzo (Alessandria), Via Novi 44: a warehouse

- Magenta (Milan), Strada per Cascina Peralza 20: a site for printing and cutting aluminium.

Financial performance

The table below summarises the comparable financial performance of Guala Closures S.p.A. for 2022 and 2023:

Statement of profit or loss Guala Closures S.p.A.	2022		2023	
	(€'000)	*% of net revenue*	*(€'000)*	*% of net revenue*
Net revenues	211,827	100.0%	175,684	100.0%
Change in finished goods and semi-finished products	6,030	2.8%	(3,948)	(2.2%)
Other operating income	36,024	17.0%	55,241	31.4%
Internal work capitalised	3,282	1.5%	4,343	2.5%
Costs for raw materials	(154,909)	(73.1%)	(109,522)	(62.3%)
Costs for services	(44,916)	(21.2%)	(40,342)	(23.0%)
Personnel expense	(34,368)	(16.2%)	(44,381)	(25.3%)
Other operating expense	(3,509)	(1.7%)	(3,306)	(1.9%)
Impairment losses	(226)	(0.1%)	(34)	(0.0%)
Gross operating profit	**19,235**	**9.1%**	**33,736**	**19.2%**
Amortisation and depreciation	(10,024)	(4.7%)	(10,967)	(6.2%)
Operating profit (loss)	**9,211**	**4.3%**	**22,769**	**13.0%**
Financial income	13,923	6.6%	22,178	12.6%
Financial expense	(23,233)	(11.0%)	(28,154)	(16.0%)
Dividends	8,000	3.8%	-	-
Net financial expense	**(1,310)**	**(0.6%)**	**(5,976)**	**(3.4%)**
Profit before taxation	**7,901**	**3.7%**	**16,792**	**9.6%**
Income taxes	23,940	11.3%	(3,259)	(1.9%)
Profit for the year	**31,841**	**15.0%**	**13,533**	**7.7%**

Adjusted gross operating profit (Adjusted EBITDA)	**22,075**	**10.4%**	**50,009**	**28.5%**

NET REVENUE

During 2023, the company recognised a **net revenue of €175.7 million**, down by €36.1 million compared to 2022, mainly due to the extremely high growth in sales of closures and semi-finished products in aluminium performed in year 2022, difficult to replicate considering the different market situation.

Export sales represented around 76% of turnover in 2023. Such exports mainly went to Great Britain, Germany, Spain, Mexico, the US, Sweden, and France.

OTHER OPERATING INCOME

Other operating income increased by €19.2 million from €36.0 million in 2022 (17.0% of net revenue) to **€55.2 million** in 2023 (31.4%).

Other operating income mainly comprises:

a) the **Service Agreement** for the recharge to subsidiaries of costs incurred by Guala Closures S.p.A. on behalf of other group companies for accounting, financial, treasury, purchasing, personnel management and data management services and the recharge of insurance and other costs incurred by Guala Closures S.p.A. on behalf of other group companies (**€22.7 million**);

b) **royalties** charged to other group companies to use the Guala Closures trademark (**€13.3 million**);

c) other recovery for €11.9 million mainly due to the **insurance reimbursement** received **(€11.4 million**) related to an insurance reimbursement for an incident which occurred in our Magenta plant.

d) charging of **transport costs** (**€1.3 million**);

e) charging of **insurance costs** (**€0.9 million**);

f) recharging of **fees** (**€2.3 million**);

g) recharging of **personnel expense** (**€0.7 million**).

INTERNAL WORK CAPITALISED

Internal work capitalised increased from €3.2 million in 2022 (1.5% of net revenue) to **€4.3 million** in 2023 (2.5%).

This item consists of capitalised development expenditure for new closures and personnel expense for capitalised extraordinary maintenance. The portion of these costs relating to foreign subsidiaries is recharged thereto.

COSTS FOR RAW MATERIALS

These costs decreased from €154.9 million in 2022 (73.1% of net revenue) to **€109.5 million** in 2023 (62.3%). This decrease is mainly due to lower aluminium purchases linked to the lower demand for semi-finished products and lithographed sheets for the related companies, to the smaller volumes of produced and sold closures compared to previous year and also to the different mix of produced and sold closures.

COSTS FOR SERVICES

Costs for services decreased from €44.9 million in 2022 (21.2% of net revenue) to **€40.3 million** in 2023 (23.0%), mainly thanks to saving related to transport costs, industrial services and energy costs.

The saving in energy costs is mainly due to lower production despite the increase in price only partially counterbalanced by the tax credit provided by the Government.

PERSONNEL EXPENSE

Personnel expense increased from €34.4 million in 2022 to **€44.4 million** in 2023. As a percentage of net revenue, it increased from 16.2% of net revenue in 2022 to 25.3% in 2023 mainly due to the new management bonus scheme and incentives. The average number of employees in the year was 472 (462 in 2022), including 71 managers, 121 white collars and 280 blue collars.

OTHER OPERATING EXPENSE

Other operating expense decreased from €3.5 million in 2022 (1.7% of net revenue) to **€3.3 million** in 2023 (1.9%) mainly due to lower provisions.

IMPAIRMENT LOSSES

Impairment losses recognised in 2023 are equal to **€0.03 million** lower than the €0.2 million recognised in 2022.

ADJUSTED GROSS OPERATING PROFIT

The **gross operating profit** amounts to **€33.7 million** in 2023 (€19.2 million in 2022).

In 2023, the gross operating profit was impacted by the decrease in sales volume mainly balanced by the increase in operating income for recharges under the Service Agreement (+€8.7 million) and by the insurance reimbursement received (€11.4 million) related to an insurance reimbursement for an incident which occurred in our Magenta plant.

In 2023, gross operating profit was impacted by non-recurring expenses of €4.5 million for reorganisations costs, of €3.7 million for M&A activities, of €0.2 million for SAP implementation costs not capitalised, of €7.7 million for MIP (Management Incentive Plan) and of €0.2 million of other non-recurring costs.

Excluding the above costs, the adjusted gross operating profit for the 2023 would be €50.0 million, compared to €22.1 million in 2022.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation increased from €10.0 million in 2022 (4.7% of net revenue) to **€10.9 million** in 2023 (6.2%).

NET FINANCIAL EXPENSE

This **caption increased** by €4.7 million from €1.3 million to **€6.0 million** in 2023.

This €4.7 million increase was mainly due to the following negative effects: a) missing positive effect of €8.0 million of dividends paid by related companies in 2022; b) increase in net interest expense – third parties (€6.6 million) only partially offset by: a) the net exchange gain (€2.0 million) and b) the increase of interest recharge to other group companies (€7.9 million) related to increases of intragroup loans granted.

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

(€'000)	**2022**	**2023**
Net exchange gains (losses)	(1,868)	147
Dividends income	8,000	-
Net interest expense - third parties	(19,833)	(26,407)
Interest income - related parties	12,390	20,284
Net financial expense	**(1,310)**	**(5,976)**

INCOME TAXES

Income taxes increased from a profit of €23.9 million (11.3% of net revenue) in 2022 to a cost of **€3.3 million** (1.9%) in 2023, mainly due to higher income taxes accompanied by a decrease, in comparison with previous year, of the positive impact coming from deferred tax assets.

PROFIT FOR THE YEAR

The **profit for the year** shows a decrease, going from €31.8 million (15% of net revenue) in 2022 to **€13.5 million** (7.7%) in 2023, mainly due to the higher income taxes that last year benefited by a significant deferred tax assets increase (linked to the tax losses of €137.8 million which are expected to be used in the period 2023 – 2027) and by the missing dividends coming from related parties, only partially off-set by the higher operating profit.

Reclassified statement of financial position

The following table shows the reclassified financial position as at December 31, 2023 of Guala Closures S.p.A. with comparative figures as at December 31, 2022:

(€'000)	December 31, 2022	December 31, 2023
Intangible assets	148,999	151,730
Property, plant and equipment	57,618	64,267
Right-of-use assets	2,921	2,734
Net working capital	38,347	51,699
Investments	707,407	701,145
Derivative liabilities	(976)	(6,867)
Employee benefits	(2,819)	(2,740)
Other liabilities, net	(11,188)	(14,068)
Net invested capital	**940,309**	**947,901**
Financed by:		
Net financial liabilities to third parties	486,557	826,577
Financial liabilities to related parties	19,922	14,057
Financial liabilities - IFRS 16 effects	3,046	2,937
Financial assets - related parties	(270,990)	(295,888)
Cash and cash equivalents	(20,051)	(79,888)
Net financial indebtedness	**218,484**	**467,795**
Equity	**721,825**	**480,106**
Sources of financing	**940,309**	**947,901**

INTANGIBLE ASSETS

Intangible assets increased by €2.7 million from €149.0 million at December 31, 2022 to €151.7 million at December 31, 2023 mainly due to capex of €9.5 million, partially offset by amortisation of the year for €3.8 million and disposal for €3.0 million.

PROPERTY, PLAN AND EQUIPMENT

Property, plant and equipment increased by €6.7 million from €57.6 million at December 31, 2022 to €64.3 million at December 31, 2023.

The increase is mainly due to capex for €14.1 million, partially offset by amortisation of the year for €5.8 million and disposal for €1.6 million.

EQUITY INVESTMENTS

Aside the consolidated equity investment in the Dutch subsidiary Guala Closures International B.V. (€657.9 million), the company booked an adjustment of the purchase agreement of the shares of the company called Labrenta S.r.l., based in Breganze (VI) in the North-East of Italy, signed along 2022, for an amount equal to a reduction of €6.3 million.

This figure also includes equity investments in other companies of negligible amounts.

NET WORKING CAPITAL

The table below provides a breakdown of net working capital:

(€'000)	December 31, 2022	December 31, 2023
Inventories	30,139	23,412
Trade receivables - third parties	14,925	12,025
Trade receivables - related parties	45,120	44,546
Trade payables - third parties	(41,193)	(22,362)
Trade payables - related parties	(10,643)	(5,922)
Net working capital	**38,347**	**51,699**

The table below analyses net working capital days, calculated on the last quarter revenue divided by 90 days:

Days	December 31, 2022	December 31, 2023
Inventories	52	60
Trade receivables - third parties	26	31
Trade receivables - related parties	78	115
Trade payables - third parties	(71)	(58)
Trade payables - related parties	(18)	(15)
Net working capital days	**66**	**133**

Net working capital increased from €38.3 million at December 31, 2022 to **€51.7 million** at December 31, 2023, due to the decrease in trade payables both related parties and third parties, mainly related to lower purchases during last months of the year, partially off-set by the decrease in Inventory mainly thanks to the impact of the containment and reduction actions implemented and by the decrease in Trade receivables both third parties and related parties principally linked to improvement in the management of the overdue indebtedness, which is decreasing significantly. In terms of net working capital days, went from 66 to 133 days, mainly due the decrease in trade payables as mentioned above and increase in trade receivables days to third parties.

OTHER ASSETS AND LIABILITIES

Net other liabilities totalled **€14.1 million** at December 31, 2023, compared to €11.2 million at December 31, 2022.

NET FINANCIAL INDEBTEDNESS

The table below gives a breakdown of net financial indebtedness:

(€'000)	December 31, 2022	December 31, 2023
Net financial liabilities	506,480	840,634
Financial liabilities - IFRS 16 effects	3,046	2,937
Net financial assets	(270,990)	(295,888)
Cash and cash equivalents	(20,051)	(79,888)
Net financial indebtedness	**218,484**	**467,795**

Net financial indebtedness increased by €249.3 million from €218.5 million at December 31, 2022 to **€467.8 million** at December 31, 2023, mainly due to the distribution of €250 million to shareholders.

The details of the above are provided in the reclassified statement of changes in net financial indebtedness – Guala Closures S.p.A..

Reclassified statement of changes in net financial indebtedness

The table below summarises the trend of the reclassified statement of changes in net financial indebtedness of Guala Closures S.p.A. for 2022 and 2023:

('000)	2022	2023
A) Opening net financial indebtedness	**(183,166)**	**(218,484)**
Gross operating profit	19,235	33,736
Net gains on sale of non-current assets	(109)	(344)
Change in net working capital	(8,224)	(13,353)
Other operating items	4,429	782
Taxes	(2,134)	(1,303)
B) Net cash flows from operating activities	13,197	**19,518**
Net investments	(13,655)	(18,981)
Change in liabilities for investments	2,739	(875)
Acquisition of the Labrenta shares	(14,564)	-
C) Cash flows used in investing activities	**(25,481)**	**(19,856)**
Increase in lease liabilities	(1,202)	(1,214)
Net interest expense	(7,442)	(6,124)
Transaction costs not yet paid/(paid) on Bond	(486)	2,934
Labrenta acquisition – Indebtedness vs previous shareholders	(19,922)	6,263
Other financial items	269	(980)
Dividends from Guala Closures International B.V.	8,000	-
Dividends paid to Shareholders		(250,000)
Acquisition sponsor warrant	(1,000)	-
Effect of exchange fluctuation	(1,251)	147
D) Change in net financial indebtedness due to financing activities	**(23,033)**	**(248,973)**
E) Total change in net financial indebtedness (B+C+D)	**(35,317)**	**(249,311)**
F) Closing net financial indebtedness (A+E)	**(218,484)**	**(467,795)**

Net financial indebtedness is calculated by subtracting cash and cash equivalents and financial assets from financial liabilities, as reconciled in Annex F) to the Management Report "Reconciliation between the tables included in the Management Report with the classification used in the separate financial statements ".

This indicator is provided to offer a better understanding of the Company's financial statements and is not to be considered a substitute for IFRS indicators.

Key financial and other indicators

Financial indicators

	2022	2023
Adjusted gross operating profit (Adjusted EBITDA) (€ mln)	22.1	50.0
EBITDA margin (Adjusted gross operating profit/Net revenue)	10.4%	28.5%
ROS (Adjusted operating profit/Net revenue)	5.7%	22.2%
ROCE (Adjusted gross profit/(Assets - current liabilities, net of current financial liabilities))	1.0%	2.9%
ROI (Adjusted operating profit/Net invested capital)	1.3%	4.1%
Gearing ratio (Net financial indebtedness/Equity)	0.30	0.97
NWC days (Net working capital/Turnover of last quarter/90)	66	133

Source: *separate financial statements figures.*

Notes: *In relation to the adjusted gross operating profit, reference should be made to the section "Alternative performance indicators - Guala Closures S.p.A." in this report.*

In relation to the net invested capital and net working capital, reference should be made to the section "Reclassified statement of changes in net financial position - Guala Closures S.p.A." in this report.

Other indicators

The following table gives a breakdown of the company's personnel by gender and number:

Number	December 31, 2022			December 31, 2023		
	Men	Women	TOTAL	Men	Women	TOTAL
Managers	55	16	**71**	57	13	**70**
White collars	82	35	**117**	85	34	**119**
Blue collars	250	24	**274**	258	21	**279**
Total	**387**	**75**	**462**	**400**	**68**	**468**

With reference to the legislative requirements related to the protection of personal data (Regulation (EU) 2016/679), the company updated its privacy manual in 2023. This contains the minimum-security measures for the protection and safeguarding of personal data in compliance with the rights of the data subjects.

There were no fatalities or serious accidents at work during the year that caused serious or very serious injuries to personnel on the company's payroll.

No charges for occupational diseases contracted by employees or former employees or mobbing lawsuits were brought against the company.

Alternative performance indicators - Guala Closures S.p.A.

In addition to the financial indicators required by IFRS, this report includes some alternative performance indicators (gross operating profit (loss), adjusted gross operating profit (loss), adjusted operating profit (loss) and net financial indebtedness) which, although not required by IFRS, are based on IFRS values.

Management has presented the gross operating profit, adjusted gross operating profit and adjusted operating profit because they monitor these performance measures, and it believes that these measures are relevant to an understanding of Guala Closures S.p.A.'s financial performance and should not be considered as substitutes for IFRS indicators.

Gross operating profit is calculated by adjusting the profit for the year to exclude the impact of taxation, net financial expenses and amortisation/depreciation.

Adjusted gross operating profit is calculated by deducting, from the profit for the year, income taxes, net financial expense, amortisation and depreciation and other costs, such as reorganisation costs, merger and acquisition expenses, SAP implementation costs not capitalised, MIP (Management Incentive Plan) and non-recurring expenses.

Operating profit is calculated by adjusting the profit (loss) for the year to exclude the impact of taxation and net financial expense.

Adjusted operating profit is calculated by deducting, from the profit for the year, income taxes, net financial expense, and other costs, such as reorganisation costs, merger and acquisition expenses, SAP implementation costs not capitalised, MIP (Management Incentive Plan) and non-recurring expenses.

Gross operating profit, adjusted gross operating profit and adjusted operating profit are not defined performance measures in the IFRS. The company'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.

Adjusted gross operating profit

(€'000)	2022	2023
Profit from continuing operations	31,841	13,533
Income taxes	(23,940)	3,259
Profit before taxation	**7,901**	**16,792**
Net financial expenses	1,310	5,976
Amortisation and depreciation	10,024	10,967
Gross operating profit	**19,235**	**33,736**
Adjustments:		
Reorganisation costs	896	4,496
Merger and acquisition expenses	1,945	3,651
SAP implementation costs not capitalised	-	233
MIP (Management Incentive Plan)	-	7,674
Non-recurring expenses	-	218
Adjusted gross operating profit	**22,075**	**50,009**

Adjusted operating profit

(€'000)	2022	2023
Profit from continuing operations	31,841	13,533
Income taxes	(23,940)	3,259
Profit before taxation	**7,901**	**16,792**
Net financial expenses	1,310	5,976
Operating profit	**9,211**	**22,769**
Adjustments:		
Reorganisation costs	896	4,496
Merger and acquisition expenses	1,945	3,651
SAP implementation costs not capitalised	-	233
MIP (Management Incentive Plan)	-	7,674
Non-recurring expenses	-	218
Adjusted operating profit	**12,051**	**39,041**

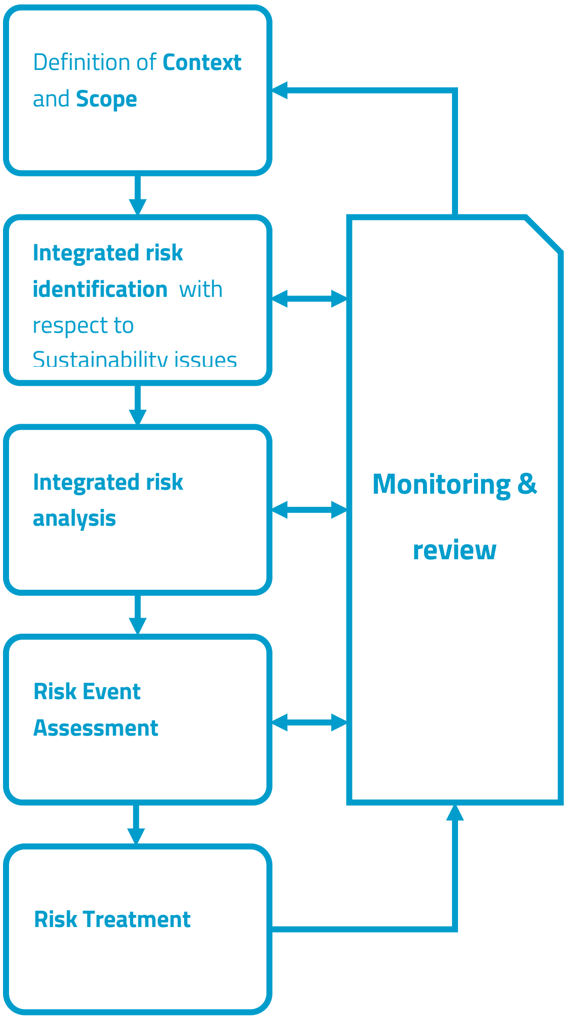
Non-recurring accruals include personnel seniority increases related to previous years.

Other information

3.1 Analysis and management of risks and opportunities

The Guala Closures Group's internal control and risk management system promotes careful and correct corporate management, in line with the short, medium and long-term objectives set by the Board of Directors. The system in place at Group level makes it possible to identify, measure, manage and monitor the main risks, opportunities and related impacts for the company as a whole, as well as ensuring simultaneous communication of the necessary information to governing bodies and stakeholders.

In order to ensure access to reliable, up-to-date and timely information, the Guala Closures Group annually reviews and updates the analysis of risks and opportunities. The Board of Directors is responsible for adopting a structured internal control system, which delegates, through the Chief Executive Officer and the Risk Manager, the management of analysis and reporting activities, which are coordinated at corporate level through the involvement of all the heads of the departments/functions as well as the Group's shareholder.



The Guala Closures Group has an Internal Control and Risk Management System that provides, among other elements, for the definition of an **Integrated Process for the Management of Risks and Opportunities**, the main objective of which is to adopt a structured, systematic and integrated approach, in particular, for the identification and assessment of the company's priority risks with potential negative effects and the subsequent definition of appropriate actions for the mitigation of the same.

In order to identify the company's priority risks, the Group has defined and periodically updates its **Risk Model** and applies specific *Risk Evaluation & Mapping* methodologies that make it possible to assign a numerical value of relevance (inherent and residual) to the identified risks, given by the overall result of the probability of occurrence, the robustness of the risk management mechanisms and the overall impact or magnitude with respect to economic-financial, operational, reputational and sustainability drivers.

Guala Closures Group's Risk Model also transversally integrates the relevant aspects from the Group's Sustainability perspective.

At the company level, integrated Risk Management, developed in accordance with the "CoSO-ERM" reference framework and national and international best practices, involves the identification, assessment and analysis of risks. It provides for the assessment of events that may lead to strategic, external, financial and operational risks at Corporate level and the monitoring of Top Risks, thus providing an update of Guala Closures' risk profile in relation to strategic and management objectives. The risk assessment is regularly carried out and updated on an annual basis through several meetings with the heads of the various functions.

The results of the analyses, the assessments of the risks that have emerged and the related consequent audit, monitoring and risk verification plans are submitted to the Control Bodies and the Board of Directors, which, in acknowledging them, can in various ways provide specific inputs to the management and to the Internal Audit and Risk Management Function in order to increase further verification interventions.

Guala Closures is exposed to strategic, operational, financial and external risk factors (including compliance factors) that may be associated with both its business activities and the sector of activity in which it operates. The occurrence of such risk events could have negative effects on the Group's operating and business activities, as well as on the Group's economic, financial and equity performance.

The following are the main risk factors present in the Risk Model that are periodically identified, analysed, evaluated and managed by Guala Closures' management:

1. Financial risks
2. Strategic risks linked to industrial and product development
3. Strategic Business Development Risks
4. Strategic Market and Competition Risks
5. Risks arising from the External Context (macroeconomic, environmental and socio-political)
6. Compliance and regulatory development Risks
8. Governance and Organizational Risks
9. Commercial Risks
10. Production and Logistics Risks
11. Risks associated with the management of Asset
12. Risks related to human resources (operational, regulatory and human rights, development and retention, diversity and inclusion)
13. Information Technology Risks
14. Reporting and Disclosure Risks
15. Risks in the management of relations with external stakeholders

The main risk and uncertainty factors that characterise the management of the Guala Closures Group's activities, including from a sustainability point of view, are illustrated below. It should therefore be noted that the above does not include all the risks identified and associated with the Group as part of the Risk Management process. The list of risks described in this paragraph is broadly aligned with those set out in 2022.

Financial risks are better described with details in Note (33) "Fair value of financial instruments and sensitivity analysis" in the Notes to the consolidated financial statements.

The risks specifically related to sustainable impact issues are described in paragraph 2.4 Analysis and management of risks and opportunities of the Sustainability Report.

Nature of the risk	Risk Management
Business Development and Acquisitions Risks In recent years, the Group has maintained a strategy of both organic and acquisition-based growth, expanding its market share as well as its product range. Growth, in particular non-organic growth, implies a greater risk as a result of the problems of integration of the companies acquired into the Group and the consolidation of market shares. This last aspect, relating to the management of the integration of new companies/markets in the context of the Group in terms of operations, alignment with existing standards and information systems, is particularly important in view of the strategy of continuous growth in the coming years. In addition, with particular reference to the English market, the transfer of the companies Guala Closures UK and UCP to a single new plant has been started and will be completed in 2024, which will be characterized by the simultaneous establishment of the new magneto perforation technology.	The Parent Company has structured itself over time and is still evolving from the point of view of the supporting organizational structures, to oversee the M&A processes through analyses and evaluations carried out both with the support of specialist consultants for the various relevant issues of analysis and through an internal transversal team. There are transversal figures such as Regional Managers for both business and finance areas that allow the best management and monitoring of developments in individual countries. With regard to the new English plant, in addition to dedicated teams for the supervision and monitoring of the operation, given the complexity of variables in the field, back-up plans have been defined and organized to ensure operations in different ways.
Market risks and competition The social, sustainability and technological trends of recent decades could have a significant impact in terms of i) contraction of the alcoholic beverage sector or ii) changes in the type of closures required by the market (e.g. due to expiry of patents) and iii) increase in the PET market to the detriment of Glass, leading to a reduction in the demand for closures produced by Guala Closures. The area where this risk is currently most felt is the Indian market. Market and competition risk can also translate into opportunities considering the growth in demand in new markets as well as the continuous incentive of the Research and Development area in the experimentation of new products and materials, precisely in view of expiring patents and pressure from customers.	The Group constantly monitors the evolution of demand trends in the reference sectors of its key customers, updating and diversifying its products. New product prototypes are tested both internally and in collaboration with customers in order to achieve the best results. In the short to medium term, significant risks are identified within some of the markets in which the Group operates, the strategy, in addition to focusing on continuous research, is also continuously developing the opening of new geographical markets.
Evolving expectations Anticipating customer preferences in terms of technological and product development requires significant investments. In fact, product and process/plant innovation requires a high financial and organizational commitment in the research and development sector as well as in the monitoring of increasingly "green" evolutionary trends but also rewarding in product differentiation (e.g. luxury). **Climate change**	The innovation of its closures and in general of its products has represented one of the main growth factors for the Guala Closures Group. In recent years, significant resources have been and continue to be allocated in this area to ensure the maintenance of its competitive advantage both with reference to the study of alternative materials, exclusive and technically more sophisticated products, and for the management of the end of life of the product (recycling). These investments take into account not only the evolution of the expectations of customers and end consumers, but also the three sustainable nds that are increasingly relevant and partly mandatory.

Production activities and the execution of the Group's strategies are subject to the effects of natural events. Medium and long-term environmental and climate changes, some of which can have significant impacts, could locally interfere with the supply chain and logistics distribution, as well as harm some customers by impacting the seasonality of production and sales.	The Group monitors the risks related to climatic phenomena and has in place emergency plans, reallocation of production and activation of alternative supply solutions, as well as insurance coverage related to direct and indirect damage deriving from business interruption. From the point of view of the Supply Chain, the Group relies on international players with business continuity programs with guarantees of continuity in supply and logistics. The Group has also adopted the "Working together for the sustainable growth" programme to mitigate climate change.
Risk of instability in some countries and consequent adverse macroeconomic conditions The presence of the Guala Closures Group in international markets, with regard to both production and marketing activities, exposes the Company to a set of risks deriving mainly from differences and structural elements of political, economic-inflationary, social, regulatory and financial instability with respect to the country of origin. These risk elements may lead to an alteration of normal market dynamics and, more generally, of business operating conditions. In particular, the protracted war conflicts (Russia-Ukraine as well as the Middle East conflict that began in 2023) has already had a concrete impact in the past in terms of business continuity of some subsidiaries with repercussions both at the intercompany level and on the business towards third parties which, although managed optimally, could arise again based on the trend of the context.	Where appropriate, the Group adopts a "local for local" strategy, creating production presences in rapidly developing countries to meet local demand with competitive industrial and logistical costs. This strategy is aimed at increasing the Group's competitiveness as well as enabling potential protectionist measures to be overcome. By geographically diversifying its business, the Group protects itself from local political and macroeconomic imbalances while suffering from certain inflationary dynamics and process inefficiencies. With particular regard to the ongoing conflict in Ukraine where there is a Guala Closures plant, the Group has activated business continuity processes also through the study of alternative scenarios in terms of operational and economic-financial impacts aimed at identifying and promptly activating the necessary implementation measures in order to minimise the consequent impacts on the subsidiary and reflections for the Group.
Compliance with laws and regulations The Group is subject to different and numerous laws and regulations at local and Parent level. This context, in particular in terms of the evolution of the regulations and the subsequent transposition in the Group, therefore determines the risk of any non-conformities that may impact not only in terms of financial penalties but in particular to the detriment of reputation. With reference to specific cases, among others, in particular: 1. the evolution **of European regulations on the use of plastics** (Plastic & Plastic Waste Regulation).	This risk situation is monitored through an articulated System of Internal Policies and Procedures, which also includes the Group 's Code of Ethics, which regulates the conduct and conduct of employees, as well as by Internal Compliance and Audit activities carried out both locally and at Corporate level, and by Regulatory Evolution Monitoring, which make it possible to define response strategies and initiatives planned in reasonable time. 1. Guala Closures has an R&D department both at the central level and at the Region level that is continuously dedicated to the study of alternative products to plastic as well as to the development of mono-material products that facilitate the recycling of the product at the end of its life. Joint working groups have also been created between the Sales, R&D, Sustainability and Legal & Compliance

	departments to continuously monitor regulatory developments while also remaining aligned with Clients in order to oversee any risks of negative economic impacts. This context allows Guala Closures the opportunity to propose, with greater interest from the market, more innovative and eco-sustainable material and product solutions as well as opening up possibilities in new markets where the Group is not currently present.
2. the implementation of **the European Supply Chain Act** on **Corporate Sustainability Due Diligence (CSDD)**.	2. Guala Closures, in line with the objectives set by the European regulatory developments in the field of Supply Chain, has activated a process of evaluation of the main key suppliers at Group level not only from the point of view of quality standards but also of requirements in the sustainable field. This process will be progressively extended to broaden the categories and number of suppliers.
3. the conformity and safety of the products exposes the Group to the risks associated with alleged defects in the materials sold and to the **"food safety" regulations** which also include the production of materials that come into contact with food.	3. The entire production process is subject to specific control procedures in order to guarantee quality, compliance and safety, including in terms of the healthfulness of the products produced in the Group's plants, in line with current legal requirements, as well as voluntary certification standards with constantly raised safety and performance objectives. For some time now, the Group has structured a quality management system (which covers all Group companies with regard to ISO 9001, ISO 14001, ISO 22000; as regards the ISO 45001 certification currently present in Italy, Scotland and Poland, it will be progressively implemented to all Group plants by 2030).
4. Violations of **legislation on the health and safety of workers and the environment**, violations of anti-corruption rules, in addition to reputational damage, impacts on employees and the environment, may also result in significant penalties against the of the company on the basis of the administrative liability of the entities (Legislative Decree no. 231 of 8 June 2001).	4. Guala Closures guarantees full compliance with the obligations provided for by Italian, individual country and international regulations on Health and Safety in the workplace and the Environment. In particular, in Italy, the legislation relating to health and safety in the workplace (Legislative Decree 81/08) and subsequent updates have introduced specific obligations that have impacted on the management of activities at sites and on the models for allocating responsibilities. Failure to comply with the regulations in force will result in criminal and/or civil sanctions against those responsible and, in some cases of violation of health and safety regulations, against companies, according to a European model of strict liability of the company also implemented in Italy (Legislative Decree 231/01). With regard to HSE risks, the Group, in order to guarantee and preserve the Health and Safety of workers as well as the monitoring of regulatory compliance and environmental risks, has defined

	internal objectives, standards and procedures at Corporate level to be followed in all countries. In order to continuously and effectively manage these risks, the Guala Closures Group has also set up Health, Safety & Environment structures (both at Corporate level and at the level of individual subsidiaries) that monitor workplace safety, compliance with environmental impact issues and compliance with the regulations in force in the individual countries in which the Group operates with specific procedures as well as *internally defined* standards and best practices. The monitoring of the various facilities is also supported by voluntary certification systems and verification activities carried out by external specialists.
Fiscal risks and regulatory developments Changes in the domestic and international tax environment and complexity could increase the risks of proper application of the regulations as well as the overall business costs resulting from an increase in the Group's effective tax rate and lead to uncertain and/or unforeseen tax exposures.	The Group, through a specific Tax Corporate function and with the support of dedicated advisories at central and local level, regularly reviews its business strategy, tax policy and control system, in the light of regulatory changes and assesses any need to improve the tax framework as well as the likelihood of any negative outcomes resulting from audits in order to determine the adequacy of the provisions for taxes.
Ethics and Integrity Risks, including Fraud and Corruption Risks The Group may incur risks of unethical business practices deriving from a lack of integrity on the part of the parties involved in the operation and management of the business or, as a result of fraudulent or corrupt conduct, from failure to comply with laws and regulations and/or policies and procedures defined at Group level.	Guala Closures pursues at all levels the development of an ethical culture through the definition and dissemination of a Group Code of Ethics, employee training, effective governance structures and fundamental internal controls to mitigate the risks associated with corporate ethics. In Italy, also in accordance with the provisions of Legislative Decree 231/2001, Guala Closures has adopted an Organizational Model 231 approved by the Board of Directors of the Group Headquarters, to oversee risk-crime issues that recalls the organization, procedures and safeguards in place. Any violation of the Group's Code of Ethics and the procedures defined in the field of ethics and integrity (including Model 231) requires reporting by internal staff or external stakeholders through the Whistleblowing platform with the aim of identifying any phenomenon either hidden or related to conduct "unethical".
Information Technology (IT), Cybersecurity e Privacy Information and data processing systems require continuous updating and alignment with the needs of strategic objectives. Infrastructures, also in consideration of their increasing pervasiveness in operational and business processes, are exposed to multiple risks deriving from anomalies, equipment failures, interruption of work or connectivity, programming errors and above all from external cyber-	The Group is mainly committed to the prevention and mitigation of risks related to possible malfunctions of the Systems through highly reliable solutions and protection of the company's information assets through the gradual strengthening of security systems (perimeter with signals, with Cloud-level equipment, redundancies, monitoring and audits) against unauthorized access and increasingly centralized corporate data management solutions to guarantee the

attacks deriving from unlawful conduct by third parties aimed at damaging confidentiality (Data Privacy), integrity and availability of data stored or processed by computer systems. These risk elements, although continuously monitored by Guala Closures, continue to be a relevant issue also in view of the "human factor" and the consequent reputational damage.	highest level of supervision and monitoring, guaranteeing timely and decisive interventions, where necessary. The Group is progressively strengthening the cyber security perimeter according to the best practices for all Group companies. In addition, thanks to the presence of Group Policies on Cybersecurity and Data Breaches, as well as through the transversal team that involves the Legal & Compliance and IT departments, it pursues the goal of continuous alignment with European GDPR, national and international regulations on data protection and protection. Training is also considered a fundamental element of monitoring and raising awareness of employees' behaviour.
Inadequacy of IT infrastructure in relation to strategic objectives The Group is facing a profound and complex change in the technological infrastructure and application systems in view of the challenging strategic objectives defined as well as the process of digitization and standardization of operational and management processes decision. This context, also in consideration of the continuous expansion of the Group's perimeter, leads to operational problems and a growing effort of the Organizational Structure with consequent risks of delays, inefficiencies and excessive relieving of human resources which, if not adequately monitored, could impact on objectives.	The IT development plan includes the extension of accounting systems managed through SAP, the implementation of Business Intelligence systems on management processes that feed both in terms of forecasting support and monitoring. In order to better deal with the technological change taking place, not only from the point of view of external specialist support, the Organisational Structure is constantly growing not only in terms of headcount but also in terms of new qualified skills and support of resources with training and change management paths.
Cost and scarcity of resources (raw materials and energy) The production of Guala Closures Group's products requires different types of raw materials, the main ones being aluminium and plastics, whose price fluctuations have a direct impact on production costs. With reference to energy and transport costs, the Group is also exposed to the price trends of a series of energy sources with a negative impact on profitability. These risks are particularly relevant in view of the geopolitical imbalances resulting from the conflicts (Russia-Ukraine and the Middle East) as well as the consequent inflationary macroeconomic trend. The risks related to costs and scarcity of raw materials are also impacted by the Group's desire to implement a supply chain that takes into account the energy transaction underway at national and international level, as well as current and future sustainability requirements that are expected to be defined also at the regulatory level.	These risks are also offset by short- and medium-long term mitigation strategies for both raw materials and energy and transport purchases, such as: increases in selling prices, specific agreements with customers, partial forward hedging on raw material purchases, inventory management policies and/or various actions to recover energy cost efficiency. From the point of view of the management of procurement processes, there are Group policies and procedures for the optimal management of the Supply Chain and a supplier rating process has been activated with respect to ethics and sustainability requirements. For the purposes of the energy transition path, the Group has defined decarbonisation targets and consequent investments.
Business Disruption and Supply Chain Risks	

The territorial fragmentation of operating activities, their partial interconnection as well as the management of a large number of third parties (suppliers) exposes the Group to risks of business interruption. Risk events can range from natural or accidental events, malicious behaviour, pandemics, malfunction of auxiliary systems or the interruption of utilities, materials and services supplies.	An articulated series of security measures, systems for the prevention of harmful events and mitigation of possible impacts on the business, also in light of current security programs as well as the insurance policies in place to cover property damage, guarantee adequate coverage against the risk of business interruption. Contributing to risk mitigation are the central monitoring by the Procurement department of key suppliers at Group level, the Group policies on the management of procurement and the rating system activated with a view to sustainable suppliers who share the same ethical values and social objectives and environmental standards defined by Guala Closures, guaranteeing high quality standards.
Interest rate risk The Group is exposed to interest rate risk since almost all of its outstanding financial liabilities involve the payment of financial charges. There is therefore a risk that interest rates will fluctuate upwards, leading to an increase in the level of borrowing costs (albeit partly offset by hedging transactions) with potential negative results on the balance sheet. On the other hand, favourable interest rate developments may not be adequately exploited for the Group's refinancing.	The primary interest rate risks is managed using derivative instruments. Derivatives are designated as hedging instruments in the form of interest rate swap contracts to mitigate the risk associated with variable interest rate changes on loan and bond agreements not issued at a fixed interest rate. At corporate level there is constant monitoring of interest rates through financial reports for an informed and timely choice of management policies. By monitoring rates and frequent contacts with banks, refinancing opportunities are evaluated from a cost-benefit perspective.
Currency risk Exchange rate risk arises from fluctuations in exchange rates on sales and purchases denominated in currencies other than the functional currency of the various entities of the Group. In situations of particular macroeconomic instability in countries, such as those currently underway due to the effects still underway due to the conflict between Russia and Ukraine, this risk may be even more significant. The exchange rate risk is therefore linked to the performance of the US dollar, Australian dollar, British pound, Indian rupee, Ukrainian hryvnia and Polish zloty, Argentine peso, Brazilian real and renminbi. This risk is always felt given the Group's continuous global development in new countries.	In order to control exchange rate risk, the Group carries out periodic monitoring (ex-ante and ex-post) of exchange rates through monthly financial reports for an informed choice of any exchange rate hedging policies. The Group mitigates part of the exchange rate risk by correlating the currency of any financial exposures to the currency of the underlying transactions. To hedge against fluctuations in foreign currency exchange rates, it adopts a hedging policy that provides for the purchase /sale of forward currency upon the occurrence of significant imbalances between costs and revenues denominated in foreign currencies. The Group has recently launched a Cash Pooling project that will be fully operational by 2025, in which the managed companies will operate with multicurrency current accounts. This management, in addition to optimising cash flows, will allow a partial mitigation of exchange rate risk thanks to a more centralised negotiation based on exchange rates defined at corporate level with financial institutions and greater coordination/early monitoring of the exchange rates decided/applied.
Credit risk	

Credit risk is the risk that a customer or one of the counterparties of a financial instrument causes a financial loss by failing to meet an obligation and derives mainly from trade receivables and financial investments. The Group's exposure to credit risk depends mainly on the specific characteristics of each client. Typical demographic variables of the Group's client portfolio, including the risk of insolvency in the sector and the countries in which customers operate, influence credit risk.	The Group reduces its credit exposure by means of supplier financing lines made available by the Group's main customers, effectively reducing part of its receivables to a non-recourse discount. The Group's historical trend shows a decidedly low value of credit losses. This risk is largely offset by the corresponding provision for doubtful accounts allocated in the balance sheet.

3.2 Related party transactions

All transactions with related parties are defined contractually and take place at market conditions (fair value).

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

Related parties also include the pension fund for employees of the former Metal Closures Ltd. (now Guala Closures UK Ltd.) managed by Metal Closures Group Trustees Ltd.. Considering the performance of the pension fund, the English company was not required to transfer funds thereto. Employees have paid their contributions. Reference should be made to note 30) Employee benefits of the consolidated financial statements for additional information.

The Group has share-based long-term incentive plans for certain members of management and other key employees and talents. Group's share-based payment plans and arrangements are cash-settled and provide the contingent right to receive cash at the time of the exit of the current actual shareholder of the Group or in case of IPO based on capital gain (range granted to the managers is estimated from 2% to 7% of the capital gain based on the exit price), subject to the fulfilment of a five-year service vesting condition (each year provide a vesting of 1/5 of the plan) and if certain exit price will be reached. The impact on 2023 profit and loss of the plan is €7.7 million while the outstanding liability as of December 31, 2023 is €7.7 million.

Guala Closures S.p.A. also had transactions with other group companies. For further information, reference should be made to notes 4) Net revenue, 5) Other operating income, 7) Costs for raw materials, 8) Costs for services, 11) Financial income, 12) Financial expense, 13) Income from equity investments, 17) Current and non-current financial assets, 18) Trade receivables, 23) Other current assets, 25) Equity investments, 33) Trade payables and 38) Other current liabilities, to the separate financial statements.

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

3.3 Other information

There are no stock option plans or any share-based payment arrangements in place at December 31, 2023 other than what already mentioned in the paragraph 3.2 Related party transactions

At December 31, 2023, there were no free allocations of shares to employees.

Reference should be made to note 35) Related party transactions to the consolidated financial statements for information on the roles and responsibilities of the parent's directors.

At the reporting date, there are no proxies for share capital increases pursuant to article 2443 of the Italian Civil Code, nor do the directors have the power to issue equity instruments or to authorise the repurchase of treasury shares.

No repurchases of treasury shares have taken place at the date of this report.

In 2023, the group invested (net of divestments) €70.2 million (€40.3 million in 2022) to support future growth. The main capex of 2023 was incurred in the group's main European facilities in Italy, UK, Spain and Poland, its Mexican facility as well as its Indian and Chinese facilities. For additional information reference should be made to note 23) Property, plant and equipment.

During 2023 the costs for research and development activities amounted to approximately €3.5 million, of which approximately €1.8 million capitalised in the year.

Outlook

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

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

- Business development to drive growth and innovation, combined with the acquisition of new customers to broaden our market reach;
- Expansion of luxury segment enhancing our product offerings in premium markets;
- Full integration of Fengyi to leverage synergies and enhance our market position in China;
- Operational efficiencies to streamline processes and extract additional value;
- Cost base reduction policies to increase cost efficiency and limit G&A expenses;
- NWC management and cash generation with ambitious well-defined targets in terms of working capital absorption to improve our cash generation.

We remain positive with regard to the future consumer demand and boost from recent and ongoing medium-term investments and confident to be able to maintain the current Adjusted EBITDA margin on sales at organic level.

On behalf of the board of directors
CEO
Mauro Caneschi
(signed on the original)

April 16, 2024

Annexes to the directors’ report

Annex A)

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

Annex B)

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

Annex C)

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

Annex D)

Reconciliation between the tables included in the directors’ report with the separate financial statements – financial income and expense

Annex E)

Reconciliation between the tables included in the directors’ report with the separate financial statements – statement of financial position

Annex F)

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

Annex A)

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

(€'000)

Classification in reclassified financial income and expense	2022	2023	Classification in the notes to the consolidated financial statements (notes 14-15)
Net exchange losses	16,970	14,062	Exchange gains
Net exchange losses	(18,872)	(28,051)	Exchange losses
Net fair value losses on financial liabilities to non-controlling investors	(841)	(2,240)	Financial expense on financial liabilities to non-controlling investors
Net interest expense	432	1,771	Interest income
Net other financial expense	3,528	3,350	Other financial income
Net interest expense	(19,702)	(26,772)	Interest expense
Other net financial expense	(4,318)	(6,287)	Other financial expense
Total net financial expense	**(22,802)**	**(44,166)**	

Annex B)

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

(€'000)

Classification in the reclassified statement of financial position	December 31, 2022 (*)	December 31, 2023	Classification in the consolidated financial statements
Net working capital	139,583	126,077	Trade receivables
Net working capital	157,192	124,354	Inventories
Net working capital	(115,511)	(96,196)	Trade payables
Total net working capital	**181,264**	**154,234**	
Other net liabilities	11,031	16,199	Current direct tax assets
Other net liabilities	11,120	8,984	Current indirect tax assets
Other net liabilities	10,174	20,825	Other current assets
Other net liabilities	61	16	Contract costs
Other net liabilities	14,939	20,129	Deferred tax assets
Other net liabilities	6,799	3,177	Other non-current assets
Other net liabilities	(15,825)	(17,463)	Current direct tax liabilities
Other net liabilities	(11,878)	(13,197)	Current indirect tax liabilities
Other net liabilities	(6,070)	(11,828)	Current provisions
Other net liabilities	(1,620)	(1,009)	Contract liabilities
Other net liabilities	(41,091)	(49,997)	Other current liabilities
Other net liabilities	(56,276)	(53,497)	Deferred tax liabilities
Other net liabilities	(2,079)	(744)	Non-current provisions
Other net liabilities	(21)	(8,889)	Other non-current liabilities
Total net other liabilities	**(80,736)**	**(87,292)**	
Net financial liabilities	(551)	(756)	Current financial assets
Net financial liabilities	(2,193)	(3,434)	Non-current financial assets
Net financial liabilities	3,946	17,637	Current financial liabilities
Financial liabilities - Lease	4,688	4,525	Current financial liabilities
Net financial liabilities	504,577	844,065	Non-current financial liabilities
Non controlling investors' put option	-	5,890	Current financial liabilities
Non controlling investors' put option	35,260	39,320	Non-current financial liabilities
Financial liabilities - Lease	16,538	16,841	Non-current financial liabilities
Cash and cash equivalents	(79,478)	(196,280)	Cash and cash equivalents
Total net financial indebtedness	**482,787**	**727,808**	

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

Annex C)

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

(€'000)

	December 31, 2022 (*)	December 31, 2023
Total change in net financial indebtedness	**(20,763)**	**(245,021)**
Increase in right-of-use assets	7,371	8,797
Proceeds from new borrowings and bonds	2,260	344,221
Repayment of borrowings and bonds	(6,203)	(3,777)
Repayment of finance leases	(3,507)	(8,526)
Translation effect on foreign currency assets and liabilities	1	(19)
Net fair value gains on non-controlling investors' put options	841	2,240
Change in liabilities for financial expense	754	3,306
Payment of transaction costs on bond and RCF	(1,045)	(3,591)
Acquisition of initial indebtedness of Labrenta (2022) - Anacorks/Fengyi (2023)	21,923	20,618
Change in financial assets	(2,185)	(1,446)
Total change in financial assets and liabilities	**20,209**	**361,824**
Total change in cash and cash equivalents	**(554)**	**116,802**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

Annex D)

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

(€'000)

Classification in the reclassified Financial income and expenses	2022	2023	Classification in the notes to the separate financial statements (notes 11-12)
Net exchange gains (losses)	1,527	1,356	Exchange gains
Net exchange gains (losses)	(3,395)	(1,209)	Exchange losses
Net income from equity investments	8,000	-	Income from equity investments
Net interest expense - third parties	5	537	Interest income - third parties
Net interest expense - third parties	(19,028)	(25,674)	Interest expense
Net interest expense - third parties	(810)	(1,271)	Other financial expense
Net interest income - related parties	12,390	20,284	Financial income - related parties
Total net financial expense	**(1,310)**	**(5,976)**	

Annex E)

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

(€'000)

Classification in the reclassified statement of financial position	December 31, 2022	December 31, 2023	Classification in the statement of financial position
Net working capital	14,925	12,025	Trade receivables - third parties
Net working capital	45,120	44,546	Trade receivables - related parties
Net working capital	30,139	23,412	Inventories
Net working capital	(41,193)	(22,362)	Trade payables - third parties
Net working capital	(10,643)	(5,922)	Trade payables - related parties
Total net working capital	**38,347**	**51,699**	
Financial derivative liabilities	(976)	(68)	Current financial derivative liabilities
Financial derivative liabilities	-	(6,799)	Non-current financial derivative liabilities
Financial derivative liabilities	**(976)**	**(6,867)**	
Other assets/liabilities	2,859	3,578	Current direct tax assets
Other assets/liabilities	1,078	1,273	Current indirect tax assets
Other assets/liabilities	621	11,048	Other current assets - third parties
Other assets/liabilities	1,568	3,111	Other current assets - related parties
Other assets/liabilities	-	3,171	Deferred tax assets
Other assets/liabilities	2,575	1,897	Other non-current assets
Other assets/liabilities	(820)	(2,329)	Current direct tax liabilities
Other assets/liabilities	(1,170)	(1,122)	Current indirect tax liabilities
Other assets/liabilities	(1,742)	(2,047)	Current provisions
Other assets/liabilities	(14,027)	(22,873)	Other current liabilities
Other assets/liabilities	(903)	(869)	Other current liabilities - related parties
Other assets/liabilities	-	(8,674)	Other non-current liabilities - third parties
Other assets/liabilities	(1,013)	-	Deferred tax liabilities
Other assets/liabilities	(215)	(231)	Non-current provisions
Total other assets/liabilities	**(11,188)**	**(14,068)**	
Net financial liabilities - third parties	-	(519)	Current financial assets - third parties
Net financial liabilities - third parties	(111)	(119)	Non-current financial assets - third parties
Net financial liabilities - third parties	1,413	2,843	Current financial liabilities - third parties
Net financial liabilities - third parties	485,256	824,372	Non-current financial liabilities - third parties
Net financial assets - IFRS 16	618	753	Current financial liabilities - third parties
Net financial assets - IFRS 16	2,428	2,183	Non-current financial liabilities - third parties
Financial assets - related parties	(1,878)	(9,452)	Current financial assets - related parties
Financial assets - related parties	(269,112)	(286,436)	Non-current financial assets - related parties
Financial liabilities - related parties	1,000	3,720	Current financial liabilities - related parties
Financial liabilities - related parties	18,922	10,337	Non-current financial liabilities - related parties
Cash and cash equivalents	(20,051)	(79,888)	Cash and cash equivalents
Total financial assets	**218,484**	**467,795**	

Annex F) –

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

(€'000)

	December 31, 2022	December 31, 2023
Total change in Net financial indebtedness	**(35,317)**	**(249,311)**
Proceeds from new borrowings and bonds	1,202	342,930
Repayment of finance leases	(1,180)	(1,323)
Exchange rate gains/loss on foreign currency financial assets/liabilities	1,314	252
Labrenta S.r.l. acquisition - indebtedness vs previous shareholders	19,922	(6,263)
Effects of IFRS 16	(1,181)	(109)
Change in accrued financial expense	3,882	2,667
Payment of transaction costs on Group refinancing	(1,045)	(3,591)
Change in financial assets	6,206	25,416
Total change in financial liabilities	**29,119**	**309,148**

Total change in cash and cash equivalents	**(6,197)**	**59,837**

CONSOLIDATED FINANCIAL STATEMENTS

Statement of profit or loss

(€'000)	2022 (*)	2023	Note
Net revenue	**881,047**	**836,180**	7
Change in finished goods and semi-finished products	17,752	(12,216)	
Other operating income	5,308	16,783	8
Internal work capitalised	6,050	7,431	9
Costs for raw materials	(427,778)	(355,691)	10
Costs for services	(158,672)	(152,029)	11
Personnel expense	(150,461)	(164,655)	12
Other operating expense	(11,459)	(17,927)	13
Impairment losses on trade receivables and contract assets	(2,592)	(3,318)	
Impairment losses	(10,313)	(4,457)	
Amortisation and depreciation	(54,371)	(53,248)	22-23-24
Financial income	20,930	19,183	14
Financial expense	(43,732)	(63,349)	15
Share of loss of equity-accounted investees, net of the tax effect	(4,537)	-	
Profit before taxation	**67,172**	**52,686**	
Income taxes	605	(29,255)	17
Profit for the period	**67,778**	**23,431**	
Attributable to:			
- the owners of the parent	54,574	13,547	
- non-controlling interests	13,204	9,884	

Statement of profit or loss and other comprehensive income

(€'000)	2022 (*)	2023
Profit for the period	**67,778**	**23,431**
Other comprehensive income (expense):		
Actuarial gains on defined benefit plans (including taxes)	981	(95)
Items that will not be reclassified to profit or loss:	***981***	***(95)***
Foreign currency translation differences for foreign operations	(12,545)	6,817
Hedging reserve	58	(6,809)
Hedging reserve for cash flow hedges reclassified to profit or loss	(126)	(58)
Tax on items that will or may be reclassified subsequently to profit or loss	20	1,652
Items that will or may be reclassified subsequently to profit or loss:	**(12,593)**	**1,602**
Other comprehensive income for the period, net of tax	**(11,612)**	**1,507**
Comprehensive income for the period	**56,166**	**24,937**
Attributable to:		
- the owners of the parent	46,928	14,680
- non-controlling interests	9,238	10,258

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

The notes on pages 79 to 159 are an integral part of these consolidated financial statements.

Statement of financial position – ASSETS

(€'000)	December 31, 2022 (*)	December 31, 2023	Note
ASSETS			
Current assets			
Cash and cash equivalents	79,478	196,280	19
Current financial assets	551	756	
Trade receivables	139,583	126,077	20
Inventories	157,192	124,354	21
Current direct tax assets	11,031	16,199	
Current indirect tax assets	11,120	8,984	
Other current assets	10,174	20,825	
Total current assets	**409,130**	**493,475**	
Non-current assets			
Non-current financial assets	2,193	3,434	
Property, plant and equipment	222,492	260,949	22
Right-of-use assets	20,607	20,439	23
Intangible assets	846,470	855,727	24
Contract costs	61	16	
Deferred tax assets	14,939	20,129	25
Other non-current assets	6,799	3,177	
Total non-current assets	**1,113,562**	**1,163,872**	
TOTAL ASSETS	**1,522,691**	**1,657,347**	

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

The notes on pages 79 to 159 are an integral part of these consolidated financial statements.

Statement of financial position – LIABILITIES

(€'000)	December 31, 2022 (*)	December 31, 2023	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	8,634	28,053	26
Trade payables	115,511	96,196	27
Contract liabilities	1,620	1,009	
Current direct tax liabilities	15,825	17,463	
Current indirect tax liabilities	11,878	13,197	
Current provisions	6,070	11,828	28
Current derivative liabilities	976	68	
Other current liabilities	41,091	49,997	29
Total current liabilities	**201,605**	**217,810**	
Non-current liabilities			
Non-current financial liabilities	556,376	900,226	26
Employee benefits	8,055	8,545	30
Deferred tax liabilities	56,276	53,497	
Non-current provisions	2,079	744	28
Non-current derivative liabilities	-	6,799	
Other non-current liabilities	21	8,889	
Total non-current liabilities	**622,807**	**978,699**	
Total liabilities	**824,412**	**1,196,510**	
Share capital and reserves attributable to non-controlling interests	33,252	42,942	
Profit for the period attributable to non-controlling interests	13,204	9,884	
Equity attributable to non-controlling interests	**46,457**	**52,826**	**32**
Share capital	68,907	68,907	
Share premium reserve	423,837	388,341	
Legal reserve	2,310	13,781	
Translation reserve	(20,348)	(13,904)	
Hedging reserve	-	(5,215)	
Retained earnings and other reserves	122,543	(57,445)	
Profit for the period	54,574	13,547	
Equity attributable to the owners of the parent	**651,822**	**408,012**	**31**
Total equity	**698,279**	**460,837**	
TOTAL LIABILITIES AND EQUITY	**1,522,691**	**1,657,347**	

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

The notes on pages 79 to 159 are an integral part of these consolidated financial statements.

Statement of cash flows

(€'000)	2022	2023	Note
Opening cash and cash equivalents	**80,032**	**79,478**	
A) Cash flows from operating activities			
Profit before taxation	67,172	52,686	
Adjustments:			
Amortisation and depreciation	54,371	53,248	22-23-24
Financial income	(20,930)	(19,183)	
Financial expense	43,732	63,349	
Impairment losses on fixed assets	10,313	4,457	
Share of loss of equity-accounted investees, net of the tax effect	2,407	-	
Net gains on sale of non-current assets	(290)	(202)	
Variation:			
Receivables	(18,286)	21,232	20
Payables	14,355	(27,769)	24
Inventories	(38,381)	38,002	21
Impairment losses on receivables	1,408	2,985	
Other operating items	4,985	(3,296)	
Income taxes paid	(26,952)	(36,228)	
Net cash flows from operating activities	**93,904**	**149,281**	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(41,491)	(71,296)	22-23-24
Proceeds from sale of property, plant and equipment and intangible assets	1,193	1,081	22-23-24
M&A Labrenta (2022) / Anacorks (2023) (net of cash acquired)	(13,324)	22	5
M&A FengYi (net of cash acquired)	-	(10,174)	5
Net cash flows used in investing activities	**(53,623)**	**(80,367)**	
C) Cash flows from financing activities			
Interest received	1,657	1,452	
Interest paid	(22,679)	(26,569)	
Transaction costs paid for bonds issued	(1,045)	(3,591)	
Other financial items	1,331	3,196	
Dividends paid to shareholders	-	(250,000)	
Dividends paid to minorities	(4,649)	(7,767)	
Sponsor warrants buyback	(1,000)	-	
Proceeds from new borrowings and bonds	2,260	344,221	26
Repayment of borrowings and bonds	(6,203)	(3,777)	26
Repayment of leases	(3,507)	(8,526)	
Change in financial assets	(399)	(732)	
Net cash flows used in financing activities	**(34,235)**	**47,907**	
Net cash flows of the period	**6,047**	**116,821**	
Effect of exchange fluctuations on cash held	(6,600)	(19)	
Closing cash and cash equivalents	**79,478**	**196,280**	**19**

The notes on pages 79 to 159 are an integral part of these consolidated financial statements.

Statement of changes in equity

(€'000)	**January 1, 2022**	**Allocation of 2021 result**	Profit for the period	Reclassifi-cations	Other comprehensive income	**Comprehensive income for the period**	Dividends	Purchase of sponsor warrant	Capital increase	**Total transactions with owners**	**December 31, 2022**	**Labrenta PPA**	**Decembre 31, 2022 (*)**
	A)	**B)**				**C)**				**D)**	**A)+B)+C)+D)**	**E)**	**A)+B)+C)+D)+E)**
Attributable to the owners of the parent:													
Share capital	68,907					-				-	**68,907**	-	**68,907**
Share premium reserve	423,837					-				-	**423,837**	-	**423,837**
Legal reserve	1,824	487				-				-	**2,310**	-	**2,310**
Translation reserve	(11,764)				(8,583)	**(8,583)**				-	**(20,348)**	-	**(20,348)**
Hedging reserve	48				(48)	**(48)**				-	**0**	-	**0**
Retained earnings and other reserves	108,826	(1,269)			985	**985**		(1,000)	15,000	**14,000**	**122,542**	-	**122,542**
Profit (loss) for the period	(782)	782	55,196			**55,196**				-	**55,196**	**(622)**	**54,574**
Equity	**590,894**	**-**	**55,196**		**(7,646)**	**47,550**	**-**	**(1,000)**	**15,000**	**14,000**	**652,444**	**(622)**	**651,822**
Non-controlling interests:													
Share capital and reserves	33,209	8,776	-		(3,966)	**(3,966)**	(4,767)	-	-	**(4,767)**	**33,252**	-	**33,252**
Profit for the period	8,776	(8,776)	13,204			**13,204**				-	**13,204**	-	**13,204**
Equity	**41,985**	**-**	**13,204**	**-**	**(3,966)**	**9,238**	**(4,767)**	**-**	**-**	**(4,767)**	**46,457**	**-**	**46,457**
Total equity	**632,880**	**-**	**68,400**	**-**	**(11,612)**	**56,788**	**(4,767)**	**(1,000)**	**15,000**	**9,233**	**698,901**	**(622)**	**698,279**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

(€'000)	**January 1, 2023**	**Allocation of 2022 result**	Profit for the period	Reclassifi-cations	Other comprehensive income	**Comprehensive income for the period**	Dividends	Purchase of sponsor warrant	Acquisition of NCI	**Total transactions with owners**	**December 31, 2023**	
	A)	**B)**				**C)**				**D)**	**A)+B)+C)+D)**	
Attributable to the owners of the parent:												
Share capital	68,907					-				-	**68,907**	-
Share premium reserve	423,837					-	(35,496)			**(35,496)**	**388,341**	-
Legal reserve	2,310	1,592		9,879		**9,879**				-	**13,781**	-
Translation reserve	(20,348)				6,443	**6,443**				-	**(13,904)**	-
Hedging reserve	-				(5,215)	**(5,215)**				-	**(5,215)**	-
Retained earnings and other reserves	122,542	52,981		(9,879)	(95)	**(9,975)**	(214,504)		(8,491)	**(222,994)**	**(57,445)**	-
Profit for the period	54,574	(54,574)	13,547			**13,547**				-	**13,547**	-
Equity	**651,822**	**-**	**13,547**	**-**	**1,133**	**14,680**	**(250,000)**	**-**	**(8,491)**	**(258,491)**	**408,011**	-
Non-controlling interests:												-
Share capital and reserves	33,252	13,204			374	**374**	(8,690)		4,801	**(3,889)**	**42,942**	-
Profit for the period	13,204	(13,204)	9,884			**9,884**	-		-	-	**9,884**	-
Equity	**46,457**	**-**	**9,884**	**-**	**374**	**10,258**	**(8,690)**	**-**	**4,801**	**(3,889)**	**52,825**	-
Total equity	**698,279**	**-**	**23,431**	**-**	**1,507**	**24,937**	**(258,690)**	**-**	**(3,690)**	**(262,380)**	**460,836**	-

The notes on pages 79 to 159 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements at 31 December 2023

General information

(1) General information

Guala Closures S.p.A. is a company limited by shares set up under Italian law and registered with the Alessandria company registerar. Its registered office is in via Rana 12, zona industriale D6, Spinetta Marengo (Alessandria). Guala Closures S.p.A. is directly owned by Special Packaging Solution Investments S.à r.l. (“SPSI”), and its ultimate parent company is Investindustrial S.A..

The Guala Closures Group’s main activities involve the design and manufacturing of closures for spirits, wine and non-alcoholic beverages such as water, olive oil and vinegar to be sold mainly on international markets. The group is also active in the production of PET plastic preforms and bottles.

The group’s activities are separated into two divisions:

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

The financial statements were authorised for issue by the directors on April 16, 2024. The directors have the power to amend and reissue the financial statements.

(2) Accounting policies

These consolidated financial statements have been prepared in accordance with the IFRS issued by the International Accounting Standards Board and endorsed by the European Union and related interpretations.

They have been prepared in Euros, rounding the amounts to the nearest thousand. Any discrepancies between the 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.

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

These consolidated financial statements have been prepared using the following formats:

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

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

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

a) Accounting for business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is or is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are shown as expenses when incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree’s employees (acquiree’s awards), then all or a portion of the amount of the acquirer’s replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree’s awards and the extent to which the replacement awards relate to pre-combination service.

Investments in non-controlling interests (“NCI”)

NCI are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

List of investments in subsidiaries and associates at December 31, 2023

	Registered office	Currency	Share/quota capital	Investment percentage	Type of investment	Method of consolidation
EUROPE						
Labrenta S.r.l.	Italy	EUR	500,000	100%	Direct	Line-by-line
Anacorks Unipessoal Lda	Portugal	EUR	37,000	100%	Indirect (*)	Line-by-line
Guala Closures International B.V.	The Netherlands	EUR	92,000	100%	Direct	Line-by-line
GCL International Sarl	Luxembourg	EUR	15,140,700	100%	Indirect (*)	Line-by-line
Guala Closures UK Ltd.	United Kindom	GBP	134,000	100%	Indirect (*)	Line-by-line
Guala Closures UCP Ltd.	United Kindom	GBP	3,509,000	100%	Indirect (*)	Line-by-line
Guala Closures Iberica, S.A.	Spain	EUR	9,879,980	100%	Indirect (*)	Line-by-line
Guala Closures France SAS	France	EUR	2,748,000	100%	Indirect (*)	Line-by-line
Guala Closures Technologia Ukraine LLC	Ukraine	UAH	90,000,000	70%	Indirect (*)	Line-by-line
Guala Closures Bulgaria AD	Bulgaria	BGN	6,252,120	70%	Indirect (*)	Line-by-line
Guala Closures DGS Poland S.A.	Poland	PLN	595,000	70%	Indirect (*)	Line-by-line
Guala Closures BY LLC	Belarus	BYN	1,158,800	85%	Indirect (*)	Line-by-line
Guala Closures Deutschland GmbH	Germany	EUR	500,000	100%	Indirect (*)	Line-by-line
Guala Closures Turkey Ambalaj ve Kapak Sistemleri Sanayi ve Ticaret Anonim Şirketi	Turkey	TRY	11,000,000	100%	Indirect (*)	Line-by-line
ASIA						
Guala Closures India pvt Ltd.	India	INR	170,000,000	95%	Indirect (*)	Line-by-line
Beijing Guala Closures Co. Ltd.	China	CNY	20,278,800	100%	Indirect (*)	Line-by-line
Guala Closures (Chengdu) Co. Ltd.	China	CNY	-	70%	Indirect (*)	Line-by-line
Fengyi Guala Closures (Sichuan) Co Ltd	China	CNY	21,857,140	70%	Indirect (*)	Line-by-line
Yibin Guanghua Packaging Co. Ltd	China	CNY	5,000,000	70%	Indirect (*)	Line-by-line
Guizhou Fengyi Packaging Co Ltd	China	CNY	10,000,000	70%	Indirect (*)	Line-by-line
Sichuan Fengyi Cap Production Co Ltd	China	CNY	10,000,000	70%	Indirect (*)	Line-by-line
LATIN AMERICA and NORTH AMERICA						
Guala Closures Mexico, S.A. de C.V.	Mexico	MXN	94,630,010	100%	Indirect (*)	Line-by-line
Guala Closures Argentina S.A. (**)	Argentina	ARS	498,960,489	100%	Indirect (*)	Line-by-line
Guala Closures do Brasil LTDA	Brazil	BRL	10,736,290	100%	Indirect (*)	Line-by-line
Guala Closures de Colombia LTDA	Colombia	COP	8,691,219,554	93.2%	Indirect (*)	Line-by-line
Guala Closures Chile SpA	Chile	CLP	6,504,935,369	100%	Indirect (*)	Line-by-line
Guala Closures North America, Inc.	United States	USD	60,000	100%	Indirect (*)	Line-by-line
OCEANIA						
Guala Closures New Zealand Ltd.	New Zealand	NZD	5,700,000	100%	Indirect (*)	Line-by-line
Guala Closures Australia Holdings Pty Ltd.	Australia	AUD	34,450,501	100%	Indirect (*)	Line-by-line
Guala Closures Australia Pty Ltd.	Australia	AUD	810	100%	Indirect (*)	Line-by-line
AFRICA						
Guala Closures South Africa Pty Ltd.	South Africa	ZAR	60,000,100	100%	Indirect (*)	Line-by-line
Guala Closures East Africa Pty Ltd.	Kenya	KES	30,300,000	100%	Indirect (*)	Line-by-line

(*) Reference should be made to the chart illustrating the group structure for further details on the indirect investments
(**) The share capital reported for Guala Closures Argentina S.A. represents the nominal value and does not include the revaluation for inflation

(b) Use of estimates and judgements

Management has to make judgements, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, costs and revenue. Estimates and the related assumptions are based on past experience and other factors considered to be reasonable in the circumstances. They are adopted to estimate the carrying amount of assets and liabilities that cannot readily be assumed from other sources. However, as they are estimates, the actual figure may not match the result of the estimate. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year is included in the following notes: loss allowance (note (n) estimated expected credit losses) and allowance for inventory write-down (note 21 inventory estimated recoverability), amortisation/depreciation and impairment of non-current assets (notes (h) and (i)), employee benefits (note 30 estimated actuarial assumptions), share based payment (note 12 personnel expense), taxes (note 25 estimated future taxable income), provisions (note 28), Labrenta and Fengyi acquisition (note 5 acquisition of subsidiaries, business units and non-controlling interests), financial liabilities to non-controlling investors (note 33 fair value put option).

Such estimates and assumptions are reviewed regularly. Any changes arising therefrom are recognised in the year in which the review takes place if this only affects that year. If the review relates to both current and future years, the change is recognised in the year in which the review takes place.

(c) Foreign currency

Functional currency and presentation currency

The figures stated in the financial statements of each group company are measured using their functional currency, being the currency of the primary economic environment in which the company operates. The consolidated financial statements are drawn up in Euros, the parent’s functional and presentation currency.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the same date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the transaction date. Exchange differences are generally recognised in profit or loss and presented within financial expense.

However, exchange differences arising from the translation of the following items are recognised in other comprehensive income:

– an investment in equity securities designated as at FVOCI;

– a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and

– qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into Euro at the exchange rates at the transaction date.

Hyperinflationary economy: since 2018 Argentina has been considered a hyperinflationary economy as defined by IFRS, specifically IAS 29. Consequently, following Argentina's inclusion in the list of hyperinflationary economies, as of July 1, 2018 and effective from January 1, 2018, Guala Closures Group has applied IAS 29: Financial Reporting in Hyperinflationary Economies.

At December 31, 2023, the group's operations in Argentina represented approximately 2% of its revenue, less than 1% of its operating performance and 1% of its assets.

As from April 2022, Turkey is included in the list of hyperinflationary economies and therefore, according to IAS 29, the local financial statements were translated into Euros using the closing rate of the period both for the statement of financial position and statement of profit and loss and other comprehensive income. At December 31, 2023, the group's operations in Turkey have an immaterial impact on consolidated figures.

Exchange differences are recognised in other comprehensive income and presented in the translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reallocated to non-controlling interests. When the group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

The following exchange rates are applied to translate those financial statements presented in currencies that are not legal tender in Italy:

	Average exchange rates		Spot exchange rates	
€1 = x foreign currency	**2022**	**2023**	**December 31, 2022**	**December 31, 2023**
Pound sterling	0.85261	0.86991	0.8869	0.86905
US dollar	1.05388	1.08159	1.0666	1.10500
Indian rupee	82.71449	89.32487	88.1710	91.90450
Mexican peso	21.20455	19.18974	20.8560	18.72310
Colombian peso	4,473.59750	4,675.92417	5,172.4700	4,267.52000
Brazilian real	5.44320	5.40163	5.6386	5.36180
Chinese renmimbi	7.08009	7.65907	7.3582	7.85090
Argentine peso	188.50330	892.92390	188.5033	892.92390
Polish zloty	4.68448	4.54206	4.6808	4.33950
New Zealand dollar	1.65854	1.76183	1.6798	1.75040
Australian dollar	1.51736	1.62848	1.5693	1.62630
Ukrainian hryvnia	33.98843	39.55835	39.0370	41.99600
Bulgarian lev	1.95580	1.95580	1.9558	1.95580
South African rand	17.2097	19.9544	18.0986	20.3477
Japanese yen	138.0051	151.9421	140.6600	156.3300
Chilean peso	917.9167	908.0842	913.8200	977.0700
Kenyan shilling	124.1178	151.3035	131.6060	173.2685
Turkish lira	19.9649	32.6531	19.9649	32.6531

(d) Cash and cash equivalents

Cash and cash equivalents include cash balances and on-demand deposits as well as all highly-liquid investments with an original expiry date equal to or of less than three months.

Cash and cash equivalents are calculated in the same way for both the statement of financial position and statement of cash flows.

(e) Inventories

Inventories are measured at the lower of purchase or production cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

The production cost of finished goods includes the portions of the costs of raw materials and external materials and processing, as well as all other direct and indirect production costs reasonably attributable to the products, excluding financial expense.

Purchase or production cost is calculated on a weighted average cost basis.

Obsolete and/or slow-moving inventories are written down on the basis of their estimated possibility of use or future realisable value, through an accrual to the specific allowance adjusting the value of inventories. The amount is reinstated if, in subsequent years, the reasons for the write-down no longer exist.

(f) Assets held for sale and disposal groups

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets or employee benefit assets, which continue to be measured in accordance with the group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

(g) Discontinued operation

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which:

– represents a separate major line of business or geographical area of operations;

– is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

– is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative year.

(h) Property, plant and equipment

Property, plant and equipment are recognised at historic cost, including directly related ancillary costs necessary for the use of the asset. Borrowing costs related to loans taken out specifically for investments in property, plant and equipment are considered part of the carrying amount of the related assets and, as such, capitalised.

Subsequent expenditure is included in an asset's carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the group. This expenditure is depreciated over the related asset's residual useful life. All other expenditure is expensed in the year in which it is incurred.

Property, plant and equipment are shown net of accumulated depreciation and any impairment losses determined as set out later on.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The depreciation periods are as follows:

Depreciation period (years)	
Buildings	30 – 35
Light constructions	8 – 10
Specific plant, machinery, presses and moulds	4 – 20
Generic plant	10 – 13
Laboratory equipment	2 – 3
Canteen equipment, office furniture and equipment and fittings for exhibitions and trade fairs	8 – 10
Vehicles, canteen facilities	4 – 6
Internal means of transport, electronic equipment and mobile phones	5 – 8

Subsequent expenditure is included in an asset's carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the group. This expenditure is depreciated over the related asset's residual useful life. All other expenditure is expensed in the year in which it is incurred.

At the time of disposal or when there are no expected future economic benefits from an asset's use, the caption is derecognised. Any gain or loss (calculated as the difference between the sales amount and carrying amount) is taken to profit or loss in the year of derecognition.

(i) Intangible assets

Goodwill

Goodwill arising from the acquisition of subsidiaries is initially recognised at cost. After initial recognition, goodwill is adjusted for any accumulated impairment losses, determined using the criteria described in paragraph (n) impairment losses.

Trademark

Trademarks are generally measured at cost, determined in the same way as described for property, plant and equipment except for Guala Closures Trademark that has an indefinite life, as there is no foreseeable limit to the period up to which the asset is expected to generate cash flows for the Group.

Guala Closures Trademark is adjusted for any accumulated impairment losses, determined using the criteria described in paragraph (n) impairment losses.

Research expenditure

Expenditure on research undertaken to gain scientific and technical knowledge and information is recognised as an expense when incurred.

Development expenditure

Development expenditure, which also relates to the application of research findings to a plan or design for the production of new or substantially improved products or processes, is capitalised when the product or process is feasible in technical and commercial terms and the group has adequate resources to complete the development stage and the group has concluded that it will have the ability to use it.

Capitalised development expenditure is measured at cost, net of accumulated amortisation and impairment losses.

Other intangible assets

These assets are measured at cost, determined in the same way as described for property, plant and equipment.

Other intangible assets, which all have a finite useful life, are subsequently shown net of accumulated amortisation and any impairment losses, determined in the same way as described for property, plant and equipment.

Useful life is checked annually and, where necessary, any changes are reflected on a prospective basis.

The amortisation periods for intangible assets are as follows:

Amortisation period (years)	
Development expenditure	5
Patents and trademarks	5 - 10
Software	5
Licences	5
Customer list	30
Other capitalised expenditure	5 or in line with the contract term

Subsequent expenditure is included in an asset's carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the group. This expenditure is amortised over the related asset's residual useful life. All other expenditure is expensed in the year in which it is incurred.

The gain or loss arising from the disposal of an intangible asset is determined as the difference between the net disposal proceeds and carrying amount. It is recognised in profit or loss at the time of disposal.

(j) Income taxes

Income taxes comprise current and deferred tax. They are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax also includes any tax arising from dividends and any interest and penalties imposed by the tax authorities following their review of the tax position of previous years which found a difference in tax due.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The income tax consequences of dividends are recognised when the dividend is approved.

In determining the amount of current and deferred tax, the group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

(k) Financial instruments

Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see paragraph (l)). On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: business model assessment

The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the group's key managers;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, value and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the group's continuing recognition of the assets.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding in a given period and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as for the profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the "solely payments of principal and interest" criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium on its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is immaterial at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. See note (l) for derivatives designated as hedging instruments.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

See note (l) for financial liabilities designated as hedging instruments.

Derecognition

Financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(l) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The group may holds derivative financial instruments to hedge its raw material foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The group may designate certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in raw material exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of currency risk on a net investment in a foreign operation.

At the inception of designated hedging relationships, the group documents the risk management objective and strategy for undertaking the hedge. The group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventories, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same year or years during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same year or years as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

While not all derivatives are designated as hedges in 2022, all derivatives contracts were designated as hedge accounting relationships in 2023.

(m) Share capital and equity

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a decrease in equity, net of any tax effects.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Business combinations

When as a result of a takeover/acquisition of control not involving the entire stake in the acquiree, the group has the potential obligation to acquire the residual investment in the acquiree should the non-controlling investors exercise a put option and the non-controlling investor still has present access to the economic benefit associated with the underlying ownership interests, it recognises a liability calculated by discounting the estimated value at the exercise date using the present access method whereby a liability is recognised decreasing the equity caption "Retained earnings (losses carried forward)" in the first year, with subsequent remeasurement recognised in profit or loss as financial expense.

(n) Impairment losses

Non-derivative financial instruments

Financial instruments and contract assets

The group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- contract assets.

The group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward-looking information.

The group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as enforcing a security (if any are held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive).

Credit-impaired financial assets.

At each reporting date, the group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

The gross carrying amount of a financial asset is partially or fully impaired to the extent the group has no reasonable expectations of its recovery. For customers, the group individually makes an assessment of the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the group reviews the carrying amounts of its non-financial assets, except for inventories and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and Guala Closures Trademark are tested at least annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Employee benefits

The group's net obligation in respect of defined contribution plans relates to the post-employment benefit plans whereby the group companies pay fixed contributions to an entity that is legally separated on a mandatory, contractual or voluntary basis without there being any actual or constructive obligation to make additional payments if the entity does not hold sufficient assets to pay all accrued pension benefits relating to current or past services. Contributions payable are recognised in profit or loss on an accruals basis and classified as personnel expense.

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IFRIC 14 clarifies the provisions of IAS 19 "Employee benefits" with respect to the measurement of defined benefit plan assets when there is a minimum funding requirement. A defined benefit plan is in surplus when the fair value of the plan assets exceeds the present value of the defined benefit obligation. IFRIC 14/IAS 19 only permit the recognition of this surplus at the present value of the financial benefits available through refunds or reductions in future contributions. Moreover, disclosure is required when the plan requires a minimum contribution that could give rise to a liability.

For Italian companies, starting from January 1, 2007, the Finance Act (Law no. 296 of December 27, 2006, the "2006 Finance Act") and the relevant implementation decrees introduced important changes in the rules governing post-employment benefits ("TFR"), including the need for employees to decide on the allocation of their future benefits. In particular, this reform established that employees had to transfer the new amounts of their benefits to established pension funds after January 1, 2007, or leave them with the company; in the latter case, the company would pay these amounts to a specific INPS (Italian social security institution) treasury account. Therefore, the post-employment benefits stated in the consolidated financial statements refer to the amount due to employees, not yet paid but vested up to December 31, 2006.

(p) Provisions

Provisions include certain or probable costs and charges, the amount or due date of which is unknown at year end. A provision is recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow from the group of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. The provisions are stated as the best estimate of the expenditure required to settle the obligation at the reporting date or to transfer it to a third party at that date. If the impact of discounting the time value of money is significant, the provision is determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognised as financial expense.

(q) Revenue

The Group applies IFRS 15 Revenue from Contracts with Customers. Specifically, IFRS 15 requires a model for revenue recognition based on the following five steps:

- identify the contract(s) with a customer
- identify the performance obligations in the contract.
- determine the transaction price.
- allocate the transaction price to the performance obligations in the contract.
- recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised, net of returns, discounts, rebates, and bonuses, as well as taxes directly related to the sale of products and the provision of services. It is measured taking into account the consideration specified in the contract with the customer. The group, which generally operates as principal, recognises revenue when it transfers control of the goods or services (point in time). Control of the safety and standard closures is transferred to the customers when the goods are delivered to their premises, i.e., when the goods are taken over by the carrier selected by the customer if earlier and, accordingly, the group recognises the related revenue at such times. There are generally no further contractual obligations for the group.

There are no significant discounts for final customers and there are no contracts which enable customers to return products in exchange for new ones or cash reimbursements.

Usually, no costs are incurred to obtain or perform contracts with customers.

(r) Government grants

Grants relating to assets and income are recognised when there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received. Grants related to assets are recognised as deferred revenue under Other liabilities in the statement of financial position and are taken to profit or loss on a systematic basis to offset them against the depreciation of the relevant assets. Grants relating to income are recognised under Other operating income.

(s) Financial income and expense

The group's financial income and finance expense include:

- interest income;
- interest expense,
- dividend income;
- the net gain or loss on the disposal of investments in debt securities measured at FVOCI;
- the net gain or loss on financial assets at FVTPL;
- the exchange gain or loss on financial assets and financial liabilities;
- impairment losses (and reversals) on investments in debt securities carried at amortised cost or FVOCI;
- the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination;
- the fair value loss on contingent consideration classified as a financial liability;
- hedge ineffectiveness recognised in profit or loss; and
- the reclassification of net gains and losses previously recognised in OCI on cash flow hedges of interest rate risk and foreign currency risk for borrowings.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

(t) Determination of fair value

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

Several standards and disclosure requirements require the determination of fair value of financial and non-financial assets and liabilities.

When one is available, the group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(u) Leases

At inception of a contract, the group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. Leases in which the group is a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices. However, for the leases of property, the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate (i.e., the incremental borrowing rate of each Guala Closures Group company) or the Guala Closures Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The group considered the renewal options when determining the lease term and, specifically, considered as reasonably certain the exercise of the first renewal option which may be included in the lease. With respect to leases that do not contain annual automatic renewal options, the group considered the lease term based on the time horizon of the business plan prepared by group management, assuming that this time horizon properly reflects a period of time adequate to assess the lease term with a reasonable certainty. Assessment of the reasonable certainty of exercising the renewal option affects the lease term which, in turn, significantly affects the lease liability and the right-of-use asset.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group presents right-of-use assets separately from property, plant and equipment and intangible assets and it recognises lease liabilities under ‘financial liabilities’.

B. Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

C. Leases in which the group is a lessor

At inception or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices.

When the group acts as lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The group recognises ease payments received under operating leases as income on a straight-line basis over the least term as part of ‘other revenue’.

(v) Share based payment

The Group’s share-based payment plans and arrangements are primarily cash-settled payment arrangements.

For cash-settled plans, the fair value of the amounts payable to employees is recognised as an expense, with a corresponding increase in liabilities (employee benefits), over the vesting period. The liability is remeasured at each reporting date and at the settlement date so that the ultimate liability equals the cash payment on the settlement date. Any changes in the fair value of the liability are recognised in profit or loss.

(3) Changes to standards

The new standards and/or amendments thereto applicable to annual reporting periods beginning on or after January 1, 2023 are set out below.

- Amendments to IAS 12 - 'Income Taxes' Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 6 May 2021)

  The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

  The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

  • right-of-use assets and lease liabilities, and

  • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

  The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

  IAS 12 did not previously address how to account for the tax effects of on- balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

- IFRS 17 - Insurance contracts and Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 – Comparative Information

  The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

  An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short-duration contracts, which are often written by non-life insurers.

  There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

  The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

  Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to January 1, 2023.

  Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis.

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

  The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

- Definition of Accounting Estimates – Amendments to IAS 8

  The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

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

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

Amendment to IAS 1 - 'Presentation to Financial Statements' includes the following amendments with first application on January 1, 2024:

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

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

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

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

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

  A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. The amendment specifies how a seller-lessee measures the lease liability, which arises in a sale and leaseback transaction, to ensure that it does not recognise any amount of the gain or loss related to the right-of-use retained. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions. The first application is scheduled for January 1, 2024.

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

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

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

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

  The amendments address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

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

(4) 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 2023 and it will be dismissed in 2024.

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

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

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

(€'000)	**Closures**		**Other operations**		**Total**	
	2022 (*)	**2023**	**2022**	**2023**	**2022 (*)**	**2023**
Net revenue	878,043	834,493	3,004	1,687	881,047	836,180
Amortisation and depreciation	(54,245)	(53,248)	(126)	-	(54,371)	(53,248)
Financial income	20,930	19,183	-	-	20,930	19,183
Financial expense	(43,732)	(63,349)	-	-	(43,732)	(63,349)
Share of loss of equity-accounted investees, net of the tax effect	(4,537)	-	-	-	(4,537)	-
Profit before taxation	67,244	52,671	(72)	14	67,172	52,686
Net capex (**)	(40,299)	(70,215)	-	-	(40,299)	(70,215)

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta

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

(€'000)	**Closures**		**Other operations**		**Total**	
	December 31, 2022 (*)	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022 (*)**	**December 31, 2023**
Trade receivables	139,356	126,077	227	-	139,583	126,077
Inventories	156,621	124,354	572	-	157,192	124,354
Trade payables	(114,629)	(96,196)	(882)	-	(115,511)	(96,196)
Property, plant and equipment and Right of use assets	243,100	281,388	-	-	243,100	281,388

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta

Reporting by geographical segment

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

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

(€'000)	**2022**	**2023**
United Kingdom	153,669	139,752
Mexico	102,097	120,861
Italy	109,882	117,150
Poland	85,498	65,569
India	79,701	65,267
Spain	49,767	51,145
North America	47,659	46,143
Deutschland	46,162	41,407
Ukraine	33,248	29,775
Australia	24,528	22,216
Brasil	18,155	19,562
France	17,731	16,667
South Africa	16,357	14,724
Argentina	25,656	14,507
Other countries	70,936	71,434
Net revenue	**881,047**	**836,180**

	Non-current assets other than financial instruments and deferred tax assets: property, plant and equipment, rights of use assets and intangible assets		Deferred tax assets	
(€'000)	December 31, 2022 (*)	December 31, 2023	December 31, 2022	December 31, 2023
Italy	578,984	593,565	307	3,340
Australia	82,667	78,092	2,031	1,879
India	53,750	50,506	1,746	1,184
Mexico	43,642	51,738	439	86
Poland	48,758	51,549	-	-
Spain	38,368	41,231	75	255
UK	18,401	68,856	1,311	2,828
Ukraine	19,589	18,344	-	-
Brazil	10,937	11,375	1,951	-
South Africa	12,396	10,633	589	-
Germany	9,924	9,950	-	1,885
New Zealand	9,916	9,322	241	206
Kenya	7,701	5,942	255	485
Chile	8,463	7,357	1,595	1,492
China	6,308	15,593	509	712
France	7,338	6,904	-	-
Argentina	4,809	2,915	832	1,679
Other countries	76,118	71,118	1,301	1,966
Consolidation adjustments	51,501	32,126	1,757	2,132
Total	**1,089,569**	**1,137,115**	**14,939**	**20,129**

The Group is not exposed to significant geographical risks other than normal business risks except for what highlighted in paragraph (6) Russia – Ukraine conflict.

Information about key customers

In the Closures segment, there are two customers that generated over 10% of revenue in 2023: the total turnover of these two customers amounts around €186 million for 2023 (roughly 22% of net revenue).

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

(5.1) Acquisitions of Labrenta Group

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

Labrenta Group included subsidiaries located in Brazil (sold in December 2023), Mexico (put into liquidation in November 2022), US and Portugal for a production capacity of approximately 180 million annual closures. Labrenta has around 140 employees and over 800 customers in more than 70 countries.

Consideration transferred

Total consideration agreed at the acquisition date was €49.4 million (€48.1 million net of €1.2 million of cash and cash equivalent acquired) representing the fair value of the acquisition cost then adjusted on 29 June 2023 to the amount of €43.1 million (€44.3 million net of €1.2 million of cash and cash equivalent acquired) following the the settlement agreement that defined earn-out and other purchase price adjustments. In accordance with the settlement no variable and/or additional compensations to Cortapedra are no longer contemplated.

The group incurred acquisition-related costs of approximately €1 million related to legal fees and due diligence costs. These costs have been mainly included in the legal/consultancy expenses of the group’s statement of profit or loss and other comprehensive income in 2022 and 2023.

The following table summarises the acquisition-date fair value of each major class of consideration transferred after the agreement of June 29, 2023.

(€’000)	Amount as at December 31, 2022	Agreement June 29, 2023	Amount as at September 30, 2023	Note
Cash paid at acquisition date	14,564	-	14,564	
Amount reinvested by the former owner	15,000	-	15,000	Amount not paid in cash but through a capital injection made by the former owner of the relative credit in SPSI
Deferred price	15,000	(1,449)	13,551	Interest-bearing amount subject to possible price adjustment. To be paid in three instalments (2024, 2025 and 2026)
First Earn-out	1,000	(1,000)	-	
Second Earn-out	1,937	(1,937)	-	
Third Earn-out	1,876	(1,876)	-	
Total Consideration	**49,377**	**(6,262)**	**43,115**	

Identifiable assets acquired and liabilities assumed

Recognised assets acquired and liabilities assumed at the acquisition date are summarized below:

(€'000)	Amounts recognised at the acquisition date
Property, plant and equipment	3,508
Intangible assets	944
Right-of-use assets	2,828
Inventories	3,125
Trade receivables	5,919
Trade payables	(2,905)
Other current/non current asset/(liabilities)	277
Employee benefits	(511)
Long term provisions	(1,858)
Financial assets	32
Financial liabilities	(10,081)
Deferred tax assets	256
Cash	1,240
Net identifiable assets and liabilities	**2,774**

Goodwill

The effects of the transaction have been recognised as of October 1, 2022, close to the date on which the former shareholders transferred control over the Group (October 4, 2022).

Goodwill arising from the acquisition is recognised as:

(€'000)	Amount as at 30 September 2022	
	Provisional	Final
Consideration	49,377	43,115
Net identifiable assets and liabilities	(4,559)	(2,774)
Carve out existing goodwill		52
Initial difference to be allocated	**44,818**	**40,393**
Fair value adjustments		**18,519**
Patents		14,679
Machinery & equipment		1,558
Inventory		496
Indemnification assets		1,786
Deferred tax liabilities		**(4,668)**
Residual goodwill	**44,818**	**26,544**

The residual goodwill is mainly related to the technical skills and knowledge of Labrenta' personnel.

The recognised goodwill will not be deductible for income tax purposes.

The comparative figures as at December 31, 2022 was restated to reflect the effects of the completion of the PPA procedure related to this business combinations occurred at October 1, 2022. In these consolidated financial statements, the proceeds deriving from the acquisition are recognised under the item "Goodwill" for a value of €26.5 million, corresponding to the difference between the consideration transferred for the purchase of Labrenta shares and the value of the consolidated net assets of Labrenta.

(5.2) Acquisitions of Anacorks

As previously mentioned, on June 29, 2023, Guala Closures S.p.A. signed a settlement agreement related to the acquisition of Labrenta S.r.l. occurred in October 2022. In the context of the settlement agreement Guala Closures exercised also the option for the transfer of Anacork Stake (Portugal). The acquisition of the entire share capital of Anacorks Unipessoal Lda has taken place on September 18, 2023.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

(€'000)	Amount as at 30 September 2023
Consideration at acquisition date	2,350
Total Consideration	**2,350**

Identifiable assets acquired and liabilities assumed

Recognised assets acquired and liabilities assumed at the acquisition date are summarized below:

(€'000)	Amounts recognised at the acquisition date
Property, plant and equipment	517
Financial assets	6
Inventories	696
Trade receivables	1,305
Trade payables	(171)
Other current liabilities	(76)
Financial liabilities	(312)
Tax Payable	(110)
Tax Receivable	126
Cash & Cash equivalents	22
Net identifiable assets and liabilities	**2,002**

Goodwill

Under IFRS 3, if the sum of the transferred consideration exceeds the fair value of the net assets acquired and liabilities assumed on the acquisition date, the excess amount shall be allocated to goodwill (for additional information, reference should be made to the section on "Goodwill").

The effects of the transaction have been recognised as of September 30, 2023.

Goodwill arising from the acquisition is recognised as:

(€'000)	**Amount as at 30 September 2023**
Consideration	2,350
Net identifiable assets and liabilities	(2,002)
Provisional goodwill arising from the acquisition	**348**

The latter goodwill mainly related to the technical skills and knowledge of Anacorks Unipessoal Lda personnel.

The recognised goodwill will not be deductible for income tax purposes.

If new information obtained within one year of the date of the acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of the acquisition, then the accounting for the acquisition will be revised.

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

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

Fengyi has a production capacity of approximately 400 million annual closures and 5 million boxes and in 2022 it achieved a turnover of approximately €31.6 million, with an EBITDA of €4.5 million. In the 2023 pro-forma figures, FengYi group realized a turnover of approximately €41.5 million and an EBITDA of ca. €5.0 million. Fengyi has around 450 employees.

Consideration transferred

In relation to the agreement, the Parties agreed that the Purchase Price at closing was RMB 120.2 million (RMB 95.2 million paid at closing and the remaining RMB 25 million paid equally half at the 12th months and half at 24th months after closing) plus the contribution of 30% stake in Guala Closures Chengdu Co. Ltd..

The sale agreement provides a maximum earn-out to the sellers equal to RMB 31 million, based upon certain thresholds for the delta between EBITDA 2023 and EBITDA 2022.

Transaction costs were about €0.9 million.

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

(€'000)	**Amount as at 31 October 2023**
Cash paid at acquisition date	12,264
Disposal Chengdu (30% - minority)	1,679
Deferred price	3,223
Earn-out	3,974
Total Consideration	**21,140**

Identifiable assets acquired and liabilities assumed

Recognised assets acquired and liabilities assumed at the acquisition date are summarized below:

(€'000)	**Amounts recognised at the acquisition date**
Property, plant and equipment	6,961
Financial assets	708
Inventories	5,096
Trade receivables	11,797
Trade payables	(9,112)
Other current assets	2,166
Other current liabilities	(3,417)
Contract Liability	(341)
Other Long Term liabilities	(230)
Financial liabilities	(6,112)
Deferred Tax	(468)
Tax Payable	(556)
Tax Receivable	77
Cash & Cash equivalents	2,091
Net identifiable assets and liabilities	**8,658**
Net identifiable assets and liabilities to acquire 70% of the Group	**6,061**

Provisional Goodwill

Under IFRS 3, if the sum of the transferred consideration exceeds the fair value of the net assets acquired and liabilities assumed on the acquisition date, the excess amount shall be allocated to goodwill (for additional information, reference should be made to the section on "Goodwill").

The effects of the transaction have been recognised as of October 31, 2023.

Goodwill arising from the acquisition is recognised as:

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

In consideration of the short period of time which elapsed between the date of the business combination and the date of 31 December 2023 of the consolidated financial statements, the complexity of the process of allocating the fair value to the assets acquired, liabilities assumed and contingent liabilities assumed by Yibin Fengyi Packaging Co., Ltd, the longer term of 12 months from the date of the business combination allowed by the reference legislation precisely because of the aforementioned complexity, in this consolidated financial statements as at 31 December 2023, the proceeds deriving from the acquisition were provisionally recognised under the item "Goodwill" for a value of €15.1 million, corresponding to the difference between the lower value of the consolidated net assets of Yibin Fengyi Packaging Co., Ltd and the consideration transferred for the purchase of Yibin Fengyi Packaging Co., Ltd shares from the buyers.

The latter goodwill mainly related to the technical skills and knowledge of Yibin Fengyi Packaging Co., Ltd. personnel.

The recognised goodwill will not be deductible for income tax purposes.

If new information obtained within one year of the date of the acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of the acquisition, then the accounting for the acquisition will be revised.

(6) Russia – Ukraine conflict

The group is continuously monitoring the conflict started in February 2022, actively working to optimize the organization of production and logistic. No business interruption occurred in 2023 and in the first months of 2024 and no impact on customers service thanks to the Group business model which guarantees product delivery thanks to the availability of alternative production sites within the Group.

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

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

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

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(7) Net revenue

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

(€'000)	2022	2023
Europe	508,142	468,171
Asia	86,422	83,890
Americas	222,091	225,935
Oceania	40,063	35,579
Africa	24,329	22,606
Total	**881,047**	**836,180**

The table below illustrates net revenue by product:

(€'000)	2022	2023
Safety closures	329,204	296,449
Luxury closures	85,261	116,323
Roll-on closures	441,932	385,882
Other revenue	24,650	37,527
Total	**881,047**	**836,180**

The table below illustrates net revenue by destination market:

(€'000)	2022	2023
Spirits closures	582,623	568,180
Wine closures	149,524	129,390
Water closures	77,569	69,756
Non-alcoholic beverages closures	19,209	21,714
Olive oil & condiments closures	19,095	14,327
Other markets	33,027	32,813
Total	**881,047**	**836,180**

(8) Other operating income

This caption includes:

(€'000)	2022	2023
Sundry recoveries/repayments	2,598	12,909
Government grants	1,430	881
Gains on sale of non-current assets	337	202
Other	943	2,790
Total	**5,308**	**16,783**

Sundry recoveries/repayments mainly refered to the insurance reimbursement received (€11.4 million) related to an insurance reimbursement for an incident which occurred in our Magenta plant.

Government grant of €0.9 million in 2023 refers to Labrenta and GC Iberica.

(9) Internal work capitalised

(€'000)	2022	2023
Internal work capitalised	6,050	7,431
Total	**6,050**	**7,431**

(10) Costs for raw materials

This caption includes:

(€'000)	2022	2023
Raw materials and supplies	411,807	297,212
Packaging	17,648	13,675
Consumables and maintenance	11,362	10,094
Fuels	658	630
Other purchases	6,058	9,521
Change in inventories	(19,755)	24,559
Total	**427,778**	**355,691**

Costs for raw materials decreased by €72.1 million from €427.8 million in 2022 (48.6% of net revenue) to €355.7 million in 2023 (42.5%).

(11) Costs for services

This caption includes:

(€'000)	2022	2023
Electricity / heating	48,339	38,000
Transport	42,631	34,153
External processing	12,728	18,110
Maintenance	9,557	11,138
Sundry industrial services	9,338	10,448
Legal and consulting fees	8,677	9,923
Technical assistance	2,441	4,339
Travel	3,986	4,218
Insurance	4,024	4,178
Administrative services	3,249	3,162
Directors' fees	2,641	3,109
Cleaning service	1,811	1,855
Commissions	1,388	1,703
External labour / porterage	2,199	1,619
Security	679	818
Telephone costs	692	712
Advertising services	843	616
Entertainment expenses	534	570
Commercial services	333	512
Expos and trade fairs	227	270
Other	2,355	2,576
Total	**158,672**	**152,029**

(12) Personnel expense

This caption includes:

(€'000)	2022	2023
Wages and salaries	120,703	126,129
Social security contributions	17,725	18,481
Expense from defined benefit plans	1,847	2,133
Other costs	10,185	17,912
Total	**150,461**	**164,655**

Personnel expense increased by €14.2 million mainly due to MIP accrual (€7.7 million), to the change in perimeter of Labrenta and Anacorks/Fengyi (respectively €4.9 million and €1.2 million) and to the settlement with a senior manager (€3.1 million).

The Group has share-based long-term incentive plans for certain members of management and other key employees and talents. Group's share-based payment plans and arrangements are cash-settled and provide the contingent right to receive cash at the time of the exit of the current actual shareholder of the Group or in case of IPO based on capital gain (range granted to the managers is estimated from 2% to 7% of the capital gain based on the exit price), subject to the fulfilment of a five-year service vesting condition (each year provide a vesting of 1/5 of the plan) and if certain exit price will be reached. The impact on 2023 profit and loss of the plan is €7.7 million while the outstanding liability as of December 31, 2023 is €7.7 million.

Details of fees paid to the key management personnel are provided in note 35) Related party transactions.

At December 31, 2022 and 2023, the group had the following number of employees:

	December 31, 2022	Decembre 31, 2023
Blue collars	3,679	3,894
White collars	984	1,007
Managers	377	407
Total	**5,040**	**5,308**

(13) Other operating expense

This caption includes:

(€'000)	2022	2023
Accruals to provisions	5,034	8,342
Taxes and duties	2,923	3,014
Use of third-party assets	2,064	2,288
Other charges	1,438	4,282
Total	**11,459**	**17,927**

The accruals to provisions mainly include the provisions for restructuring in UK amounting to around €4 million.

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

(14) Financial income

This caption includes:

(€'000)	2022	2023
Exchange gains	16,970	14,062
Interest income	432	1,771
Other financial income	3,528	3,350
Total	**20,930**	**19,183**

(15) Financial expense

This caption includes:

(€'000)	2022	2023
Interest expense	19,702	26,772
Exchange losses	18,872	28,051
Financial expense on financial liabilities to non-controlling investors	841	2,240
Other financial expense	4,318	6,287
Total	**43,732**	**63,349**

Interest expense of €26.8 million mainly refers to the Guala Closures S.p.A. bonds.

Other financial expense in 2023 includes €1.4 million related to the application of IFRS 16 (€1.1 million in 2022).

(16) Income and expense on financial assets/liabilities

The following table shows income and expense on financial assets/liabilities, specifying which are recognised in profit or loss and which directly in equity:

(€'000)	**2022**	**2023**
Recognised in profit or loss		
Interest income	432	1,771
Exchange gains	16,970	14,062
Other financial income	3,528	3,350
Total financial income	**20,930**	**19,183**
Interest expense on financial liabilities measured at amortised cost	(19,702)	(26,772)
Exchange losses	(18,872)	(28,051)
Financial expenses on financial liabilities to non-controlling investors	(841)	(2,240)
Other financial expense	(4,318)	(6,287)
Total financial expense	**(43,732)**	**(63,349)**
Net financial expense recognised in profit or loss	**(22,802)**	**(44,166)**
Recognised directly in equity in the Hedging reserve		
Effective portion of fair value gains/losses in cash flow hedges	58	(6,809)
Net change in fair value of cash flow hedges reclassified to profit or loss	(126)	(58)
Total recognised directly in equity	**(68)**	**(6,867)**

The increase in the Effective portion of fair value losses in cash flow hedges is due to the subscription of zero Cost Collars derivates to hedge the exposure to the 2029 Notes' floating interest rate. Please refer to note (26) Current and non-current financial liabilities.

(17) Income taxes

This caption includes:

(€'000)	2022	2023
Current taxes	(29,746)	(36,509)
Deferred taxes	30,352	7,254
Total	**605**	**(29,255)**

The changes in deferred tax assets recognised in profit or loss do not reflect the change in the corresponding captions of the statement of financial position due to the effect of transactions recognised directly in OCI.

The increase in tax rate is mainly attributable to the increase in deferred tax assets of about €21 million recognised on the losses carried forward in 2022 following the higher taxable income forecasted.

Reconciliation between the theoretical and effective tax charge

The difference between the theoretical and effective tax charge is mainly related to the impact of the different tax rates in foreign countries, tax-exempt revenue, non-deductible costs and the use of prior year tax losses.

Thousands of Euros	2022	2023
Profit before taxation	**67,172**	**52,686**
Income tax using Italian tax rate (2022 and 2023: 24%)	**(16,121)**	**(13,014)**
Effect of tax rates in foreign jurisdictions	328	340
Change in tax rate (reduction/increase)	(14)	4
Non-deductible expenses	(9,261)	(14,282)
Tax-exempt income	5,687	-
Tax incentives	4,562	10,769
Current-year losses for which no deferred tax asset is recognised	58	2,098
Recognition of previously unrecognised tax losses (Deferred tax asset on losses carried forward not previously recognised)	20,825	2,897
Changes in estimates related to prior years (Including late Adjustment on income tax declaration)	(105)	(11)
Total increase	**22,080**	**1,816**
Effective tax	5,958	(11,198)
IRAP	(820)	(2,314)
Other taxes, other than income taxes	(4,533)	(15,743)
Total income taxes for the year	**605**	**(29,255)**

Other taxes include the impairment on taxes paid abroad for which there is no certainty about their recovery based on the forecast taxable income.

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

In accordance with the disclosure requirements of IAS 12, the Group carried out an analysis - based on data as of December 31, 2023 - in order to identify the scope of application of the Pillar Two regulations, as well as the potential impacts deriving from the application of the regulations in the various countries in which it operates, taking into account the "Transitional Safe Harbours" ("TSH").

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

The above considerations are based on a forward-looking assessment of the tax liability, determined in light of currently available data and information and on the basis of a simplified approach. A precise estimate of the tax burden by jurisdiction will only be possible once the data for the financial year 2024 are available.

Finally, it should be noted that, in accordance with IAS 12, the Company has not recognised any effect for deferred taxation purposes resulting from the entry into force of the Pillar Two rules as of January 1, 2024.

(18) Notes to the consolidated statement of cash flows

The following is a reconciliation of liabilities arising from financing activities for the year ended December 31, 2023:

(€'000)		Note
Total liabilities at January 1, 2023	**565,985**	
Derivative and similar net liabilities at January 1, 2023	(976)	
Total liabilities from financing activities at January 1, 2023	**565,009**	
Cash effect		
Proceeds from new borrowings and bonds	344,221	
Repayment of borrowings and bonds	(3,777)	
Repayment of finance leases	(8,526)	
Interest paid	(26,569)	
Payment of transaction costs from new borrowings and Revolving Credit Facility	(3,591)	
Non-cash effect		
Financial liabilities IFRS 16 accounting	8,797	23
Interest and other financial expense	25,092	14-15
Translation effect	2,038	
Net fair value losses on financial liabilities to non-controlling investors	2,240	26
Transaction costs not paid	(2,934)	
Amortisation of transaction costs	2,845	26
Liabilities coming from Fengyi/Anacorks acquisitions	21,332	
Other changes	2,102	
Total liabilities from financing activities at December 31, 2023	**928,278**	
Derivative and similar net liabilities at December 31, 2023	6,867	
Total liabilities at December 31, 2023	**935,145**	

Statement of consolidated financial position

(19) Cash and cash equivalents

Cash and cash equivalents totalled €196,280 thousand at December 31, 2023 (€79,478 thousand at December 31, 2022). Cash and cash equivalents acquired from Yibin Fengyi Packaging Co., Ltd. were equal to €2,091 thousand.

(20) Trade receivables

This caption may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Trade receivables	143,183	132,595
Loss allowance	(3,600)	(6,518)
Total	**139,583**	**126,077**

The loss allowance changed as follows:

(€'000)	December 31, 2023
Opening balance	3,600
Exchange translation effect	(68)
Accruals	3,318
Utilisations/releases of the period	(332)
Closing balance	**6,518**

At December 31, 2023, the allowance relates to a few customers for which credit losses are expected. Accruals of the period include charges related to Ukrainian customers and the expected credit loss on trade receivables for the Group to reflect uncertainties in the macro-economic environment.

(21) Inventories

This caption may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Raw materials, consumables and supplies	85,465	65,377
Allowance for inventory write-down	(4,125)	(6,527)
Work in progress and semi-finished products	37,995	35,279
Allowance for inventory write-down	(2,303)	(2,058)
Finished products and goods	40,375	33,329
Allowance for inventory write-down	(1,609)	(1,262)
Advance payments for inventory	1,394	217
Total	**157,192**	**124,354**

Changes in 2023 are as follows:

(€'000)	December 31, 2023
January 1, 2023	157,192
Exchange translation effect	(679)
Business combination	5,792
Change in raw materials, consumables and supplies	(24,559)
Change in finished goods and semi-finished products	(12,216)
Change in advance payments for inventory	(1,177)
December 31, 2023	**124,354**

The allowance for inventory write-down changed as follows:

(€'000)	December 31, 2023
Opening balance	8,037
Exchange translation effect	(163)
Accrual/[Utilisations/releases] of the period	1,973
Closing balance	**9,847**

(22) Property, plant and equipment

The following table shows the changes in this caption in 2023:

(€'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, 2022	62,825	254,995	28,299	4,265	21,315	**371,699**
Accumulated depreciation and impairment losses at December 31, 2022	(9,398)	(127,162)	(11,468)	(2,703)	-	**(150,731)**
Carrying amount at December 31, 2022	**53,427**	**127,833**	**16,831**	**1,562**	**21,315**	**220,968**
Restatement PPA (Labrenta)	-	1,525	-	-	-	**1,525**
Carrying amount at January 1, 2023	**53,427**	**129,358**	**16,831**	**1,562**	**21,315**	**222,492**
Business combination (Anacorks/Fengyi)	2,149	4,287	168	875	-	**7,479**
Exchange translation effect	(849)	918	309	(68)	720	**1,031**
Increases	101	25,659	133	535	40,032	**66,460**
Disposals	-	(640)	(83)	(1)	(347)	**(1,071)**
Write up (impairment losses)	602	(4,806)	-	-	(22)	**(4,227)**
Reclassifications	6,464	22,410	3,881	132	(32,781)	**106**
Depreciation	(2,504)	(25,720)	(2,490)	(606)	-	**(31,321)**
Historical cost at December 31, 2023	71,882	295,460	32,112	5,244	28,917	**433,614**
Accumulated depreciation and impairment losses at December 31, 2023	(12,493)	(143,995)	(13,363)	(2,814)	-	**(172,665)**
Carrying amount at December 31, 2023	**59,389**	**151,465**	**18,749**	**2,429**	**28,917**	**260,949**

In 2023, capex of € 66.5 million mainly refers to investments made to increase production capacity, develop new products, perform plant maintenance and EHS (Environment, Health and Safety) investments.

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

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

Impairment losses of €4.2 million mainly includes the write-off of property plant and equipment of GC UCP and Beijing GC amounting respectively to €3.2 million and €1 million.

None of the group's property, plant and equipment has been pledged as collateral at the reporting date, except for the items indicated in note 34) Commitments and guarantees.

(23) Right-of-use assets

The following table shows the changes in this caption in 2023:

(€'000)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Historical cost at December 31, 2022	25,940	8,581	4,321	5,049	**43,892**
Accumulated depreciation and impairment losses at December 31, 2022	(14,219)	(2,985)	(2,843)	(3,238)	**(23,285)**
Carrying amount at December 31, 2022	**11,721**	**5,597**	**1,478**	**1,811**	**20,607**
Carrying amount at January 1, 2023	**11,721**	**5,597**	**1,478**	**1,811**	**20,607**
Exchange translation effect	(258)	(1,092)	(82)	13	**(1,419)**
Increases	3,524	3,228	875	1,174	**8,801**
Decreases	-	-	-	(4)	**(4)**
Reclassifications	16	(55)	-	-	**(39)**
Depreciation of right-of-use assets	(4,166)	(1,844)	(683)	(815)	**(7,507)**
Historical cost at December 31, 2023	29,222	10,662	5,114	6,233	**51,231**
Accumulated depreciation and impairment losses at December 31, 2023	(18,385)	(4,828)	(3,526)	(4,052)	**(30,792)**
Carrying amount at December 31, 2023	**10,837**	**5,834**	**1,587**	**2,181**	**20,439**

(24) Intangible assets

The following table shows the changes in this caption in 2023:

(€'000)	Development expenditure	Licences and patents	Goodwill	Other	Assets under development and payments on account	Total
Historical cost at December 31, 2022	6,061	134,645	550,091	233,716	3,493	**928,006**
Accumulated amortisation and impairment losses at December 31, 2022	(3,602)	(35,901)	-	(38,051)	-	**(77,554)**
Carrying amount at December 31, 2022	**2,459**	**98,744**	**550,091**	**195,665**	**3,493**	**850,451**
Restatement PPA (Labrenta)	-	14,345	(18,327)	-	-	**(3,982)**
Carrying amount at January 1, 2023	**2,459**	**113,089**	**531,764**	**195,665**	**3,493**	**846,470**
Business combination (Anacorks/Fengyi)	-	-	15,426	-	-	**15,426**
Exchange translation effect	32	(15)	28	1,256	141	**1,442**
Increases	445	87	-	199	6,417	**7,147**
Disposals	-	(18)	-	(5)	(17)	**(39)**
Impairment losses	-	-	(0)	(197)	(34)	**(231)**
Reclassifications	1,354	676	-	(62)	(2,035)	**(67)**
Amortisation	(802)	(6,333)	-	(7,285)	-	**(14,420)**
Historical cost at December 31, 2023	7,363	145,480	547,218	233,940	7,966	**941,966**
Accumulated depreciation and impairment losses at December 31, 2023	(3,876)	(37,994)	-	(44,369)	-	**(86,239)**
Carrying amount at December 31, 2023	**3,487**	**107,486**	**547,218**	**189,571**	**7,966**	**855,727**

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

Goodwill, which increased with the acquisition of Yibin Fengyi Packaging Co., Ltd and Anacork, 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).

Goodwill recoverability is tested at consolidated level, considering Guala Closures Group as a single CGU.

Indeed:

- Guala has a single, integrated investment strategy at group level, pursued on the basis of centralised cost/benefit analyses that maximise the return on investment for the entire Guala Closures Group, while taking into account the performance objectives of the individual legal entities;
- by virtue of the centralised strategy described above, the investments of the individual legal entities are subject to the group approval in accordance with its strategy;
- strategic guidance and coordination activities are carried out centrally by a single management team;
- consistency with the representation of the group's financial results provided to the market is ensured. In particular, the results and the KPIs are disclosed at consolidated level, while for the individual legal entities only the figures relating to revenue are shown.

The CGU identified by the group to monitor goodwill coincides with the level of aggregation of operations set out in IFRS 8 - Operating segments which, for the group, is the Closures division.

Goodwill allocated to the Closures CGU was successfully tested for impairment at the reporting date. Consequently, no impairment loss was recognised on goodwill as at December 31, 2023.

The recoverability of the recognised amounts is tested by comparing the net invested capital (carrying amount) of the CGU with the related recoverable amount. The recoverable amount of goodwill is equal to value in use, i.e., the present value of the operating cash flows which arise from the Group's approved business plan figures for 2024-2027. These cash flows are subsequently discounted using a discount rate that reflects current market assessments of the time value of money and the risks specific to the group asset or CGU.

The discounted cash flow model is based on the Projections refleted in the business plan approved by the board of directors on September 27, 2023 which envisages a CAGR of net revenue and EBITDA of 6% and 12%, respectively. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make. Such growth rate is consistent with the inflation expected in the countries in which the group operates weighted by revenue for the geographical segment.

In the 2023 valuation, the following assumptions were used:

- the WACC for the Closures division was weighted by the net revenue percentage by destination market of each country in respect of the consolidated net revenue, with a weighted average of 11.22%;

- long-term growth rate "g": a value of 2.6% was used calculated by weighting the estimated inflation rate for each country (source Economist-December 2023) by the impact of net revenue by destination market on total net revenue, in line with the terminal value calculation.

The discount rate was a post-tax measure estimated based on the past history and the industry weighted average cost of capital, with a possible percentage of indebtedness of 34.77% at a market interest rate of 7.12%.

The division's estimated recoverable amount significantly exceeds the carrying amount.

The estimates and projected figures to which the above parameters are applied are calculated by management based on past experience and the expected developments of the markets in which the group operates at the reporting date. To this end, the current international macro-economic situation, the possible economic-financial impacts and the current downturn due to the health emergency, may result in uncertain scenarios in terms of achieving the objectives and levels of activity set out in the projections.

The group has also carried out a sensitivity analysis of changes in the WACC and 'g' rates.

This sensitivity analyses highlighted the Group's low vulnerability to the effects of the crisis in the medium term and resilience in the ability to generate income in the long term.

However, the estimate of goodwill's recoverable amount requires management's discretion and use of estimates, and, therefore, goodwill may be impaired in the future due to presently-unforeseeable changes in the scenario.

Group management constantly monitors the circumstances and events which may result in an additional impairment test.

Starting from 2021, Guala Closures Trademark is not amortized as it has an indefinite useful life. Since December 31, 2021, Guala Closures Trademark has never been impaired.

Trademark was tested for impairment at reporting date adopting the Relief from Royalty ("RFR") method and no impairment loss has been identified.

The royalty used for the calculation represents the rental charge amount, which would be paid to the licensor if this hypothetical arrangement were in place based suitable comparable transactions and prices involving third parties.

In 2023 valuation, the following assumptions were used:

- Trademark revenues are based on Projections approved by the board of directors on September 27, 2023 as already commented above;

- Royalty rate equal to the one paid by the Group's component to Guala Closures S.p.A. and align with market comparable;

- The discount rate was calculated by adding a spread to the Group's WACC utilized for the impairment test of Goodwill, due to the higher inherent riskiness as intangible asset;

- Long-term growth rate "g" was used calculated by weighting the estimated inflation rate for each country (source Economist-December 2023) by the impact of net revenue by destination market on total net revenue, in line with the terminal value calculation.

(25) Deferred tax assets and liabilities

The following table gives a breakdown of these captions at 31 December 2022 and 2023:

Thousands of Euros	Assets		Liabilities		Net balance	
	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023
Allowance for inventory write-down	1,555	1,743	(53)	162	1,502	1,905
Taxed allowance for receivables impairment	5,468	5,788	-	8	5,468	5,796
Provisions	528	619	-	-	528	619
Other	4,781	6,627	893	(2,659)	5,674	3,969
Losses carried forward	35,589	32,128	(132)	(132)	35,457	31,996
ACE deferred allocation	-	2,470	-	-	-	2,470
Derecognition of intragroup profit on inventories	1,124	1,150	-	-	1,124	1,150
Intragroup gains	816	816	-	-	816	816
Leases	490	614	(486)	(621)	4	(7)
Property, plant and equipment and intangible assets	580	2,443	(93,235)	(87,005)	(92,655)	(84,562)
Employee benefits	1,016	1,153	(253)	(285)	763	868
Derivatives	(18)	1,613	-	-	(18)	1,613
Reclassification of deferred tax assets/liabilities	(36,989)	(37,035)	36,989	37,035	-	-
TOTAL	**14,939**	**20,129**	**(56,276)**	**(53,497)**	**(41,337)**	**(33,367)**

Changes in net deferred tax assets/liabilities may be analysed as follows:

Thousands of Euros	December 31, 2022	Changes in profit and loss	Changes in equity	Exchange rate gains/losses	December 31, 2023
Allowance for inventory write-down	1,502	407	-	(3)	1,905
Taxed allowance for receivables impairment	5,468	1,180	-	(853)	5,796
Provisions	528	91	-	-	619
Other	5,674	1,382	-	(1,616)	3,969
Losses carried forward	35,457	(3,412)	-	(50)	31,996
ACE deferred allocation	-	2,470	-	-	2,470
Derecognition of intragroup profit on inventories	1,124	26	-	-	1,150
Intragroup gains	816	-	-	-	816
Leases	4	(5)	-	(7)	(7)
Property, plant and equipment and intangible assets	(92,655)	5,124	-	1,968	(84,562)
Employee benefits	763	(9)	20	94	868
Derivatives	(18)	-	1,632	-	1,613
TOTAL	**(41,337)**	**7,254**	**1,652**	**(468)**	**(33,367)**

Tax losses that may be carried forward at December 31, 2023 amount to €207,907 thousand and may be used according to the legislation in the various countries where the reporting companies are based.

The tax losses that can be carried forward indefinitely amount to €172,636 thousand and relate to Guala Closures International B.V., Guala Closures S.p.A., Guala Closures France SAS, Guala Closures South Africa Pty Ltd and Guala Closures UCP Ltd..

Based on the most recent estimates of future taxable income, the Group recognised deferred tax assets on tax loss carry forwards of around €31,996 thousand, corresponding to estimated future taxable income of €126,232 thousand.

Therefore, tax loss carry forwards not included in the calculation of deferred tax assets recognised in the Group's statement of financial position at December 31, 2023 total €79,410 thousand, corresponding to potential deferred tax assets of €17,784 thousand if they were recognised.

For the total amount of tax losses, it should be noted that Guala Closures S.p.A. had losses that could be carried forward for a total of €142,200 thousand, which according to the prospective tax plan approved in the previous year, could have been recovered in the five-year period 2023/2027 for a total of €137,800 thousand (on which prepaid taxes were calculated). It follows that, since the continuation of the plan to recover the losses carried forward may extend to the following financial year 2028, the amount of €127,507 thousand has been reduced by only €10,292 thousand, the loss that can be carried forward to new use in subsequent financial years in order to obtain the perfect coincidence with the amount of €127,507 thousand, equal to the total of the remaining usable previous losses, and enter the taxes advanced on €10,292 thousand of ACE (€23,734) deduction carried forward (equal to the amount of the taxable amount absorbed for losses), which can be reasonably assumed that it will be recovered in the next five year.

(26) 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 33) Fair value of financial instruments and sensitivity analysis for further information on the group's exposure to interest and currency risks.

Financial liabilities at December 31, 2022 and 2023 are shown below:

(€'000)	December 31, 2022	December 31, 2023
Current financial liabilities		
Bonds	677	1,889
Other bank loans and borrowings	3,259	6,476
Other financial liabilities (*)	4,697	19,687
	8,634	***28,052***
Non-current financial liabilities		
Bonds	500,000	850,000
Transaction costs	(14,126)	(24,875)
Other bank loans and borrowings	5,044	4,716
Other financial liabilities (*)	65,458	70,385
	556,376	***900,226***
Total	**565,009**	**928,278**

(*) The 2022 figures have been restated following finalization of the purchase price allocation procedure for Labrenta.

"Bonds" refer to:

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

  The 2028 Notes bear fixed interest at a rate of 3¼% per annum, payable semi-annually in arrears on June 15 and December 15 of each year and will mature on June 15, 2028. The 2028 Notes Indenture contain key covenants based on incurrence tests that, among other things, limit the ability of Guala Closures and its restricted subsidiaries to incur or guarantee additional indebtedness and issue certain preferred stock, pay dividends, redeem capital stock and make certain investments, make certain other restricted payments, create or permit to exist certain liens, impose restrictions on the ability of its subsidiaries to pay dividends or make other payments, dispose of its assets, merge or consolidate with other entities, and impair the security interests for the benefit of the holders of the Notes. Each of these covenants is subject to a number of important limitations and exceptions.

- New Senior Secured Notes maturing in 2029 (the "**2029 Notes**") of €350 million in aggregate principal amount issued under an indenture among, *inter alios*, Guala Closures, U.S. Bank Trustees Limited, as trustee and security agent (the "2029 Notes Indenture"). The proceeds of the 2029 Notes have been used to fund a distribution to the shareholder of Guala Closures, the purchase price for the acquisition of Yibin Fengyi Packaging Co., Ltd ("Fengyi") and cash on balance sheet for general corporate purposes (including to fund further bolt-on acquisitions), and to pay fees and expenses associated therewith.

  The 2029 Notes bear interest at a rate equal to three-month EURIBOR (subject to a 0% floor) plus 4.00% per annum, reset quarterly, payable quarterly in arrears on each of December 15, March 15, June 15 and September 15, beginning on December 15, 2023. In order to hedge its exposure to the 2029 Notes' floating interest rate, on October 13, 2023, Guala Closures S.p.A. entered into (i) an ISDA Master Agreement with each of Deutsche Bank AG and UniCredit S.p.A. (each, an "ISDA"), which are each in compliance with and secured by the

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

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

Guala Closures has an available amount of €80 million (equivalent) multi-currency revolving credit facility (the "**2027 RCF**") governed by English law (with information undertakings, restrictive covenants, events of default and related definitions interpreted in accordance with New York law), entered into on June 28, 2021, by and between Guala Closures, as borrower, U.S. Bank Global Corporate Trust Limited, as the agent, and Deutsche Bank Aktiengesellschaft, Credit Suisse AG, Milan Branch, Goldman Sachs Bank Europe SE, Unicredit S.p.A. and Bank of America Designated Activity Company, as mandated lead arrangers. The 2027 RCF bears an interest rate applicable to drawn amounts equal to EURIBOR (for loans in Euro), SONIA (for loans in pounds sterling) and LIBOR (for loans in any other currency) (subject, in each case, to a floor of zero) + 1.75%. This margin decreased from the original rate of 2.5% to 1.75% based on the decreasing leverage-based margin ratchet set out in the 2027 RCF. The 2027 RCF will expire December 15, 2027. Furthermore, on August 8, 2022, Guala Closures subscribed an "Additional Facility Lender" to the "2027 RCF" with Cassa Depositi e Prestiti S.p.A. ("CDP") for an amount €16 million. The expiry date of the additional facility is in line with the 2027 RCF bearing an interest rate applicable to drawn amounts equal to EURIBOR, LIBOR or a different parameter identified as the Compounded Reference Rate (2027 RCF + 2.5% p.a.) but based on the decreasing leverage-based margin ratchet set out in the 2027 RCF. The 2027 RCF margin decreased from the original rate of 2.5% to 1.75% based on the decreasing leverage-based margin.

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

In order to hedge its exposure to the 2029 Notes' floating interest rate, on October 13, 2023, Guala Closures S.p.A. entered into (i) an ISDA Master Agreement with each of Deutsche Bank AG and UniCredit S.p.A. (each, an "ISDA"), which are each in compliance with and secured by the Intercreditor agreement among the Company, U.S. Bank Global Corporate trust Limited as Original Super Senior Agent, U.S. Bank Trustees Limited as Security Agent, and others; and (ii) an Interest Rate Collar transaction referencing the full principal amount of the 2029 Notes in order to hedge the Company's exposure to the floating interest rate payable on the 2029 Notes.

Guala Closures negotiated two different Zero Cost Collars derivates, both ending in October 2027, one for a notional of €175 million, tenor 4 years, cap 4%, floor 2.376% and one for a notional of €175 million, tenor 4 years, cap 4%, floor 2.380%.

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

The interest rates and maturity dates of the financial liabilities at December 31, 2022 and 2023 are shown below:

				Nominal amount					
					Current	Non- current			
(€'000)	Currency	Nominal interest rate	Year of maturity	Total December 31, 2022	Within one year	Between one and five years	More than five years	Current	Total non-current
Bonds									
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	-	500,000	-	500,000
Interest on bonds	€	n.a.	2022	677	677	-	-	677	-
Transaction costs	€	n.a.	2028	(12,803)	-	-	(12,803)	-	(12,803)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**487,874**	**677**	**-**	**487,197**	**677**	**487,197**
Bank loans and borrowings:									
Senior Revolving Credit Facility - Guala Closures S.p.A.	€	Euribor 3M+1.75%	2027	-	-	-	-	-	-
Transaction costs	€	n.a.	2027	(1,323)	-	-	(1,323)	-	(1,323)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(1,323)**	**-**	**-**	**(1,323)**	**-**	**(1,323)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2022	118	118	-	-	118	-
Facilities Labrenta S.r.l. (Italy)	€	n.a.	n.a.	6,307	2,190	4,117	-	2,190	4,117
Banco Chile loan (Chile)	CLP	3.48%	2023	14	14	0	-	14	0
Loans Itaú Bank (Brazil)	BRL	n.a.	2024	37	16	21	-	16	21
Bancomer loans (Mexico)	USD	n.a.	2023	1,828	922	906	-	922	906
TOTAL other bank loans and borrowings				**8,303**	**3,259**	**5,044**	**-**	**3,259**	**5,044**
Other financial liabilities:									
Market warrants	€	n.a.	n.a.	-	-	-	-	-	-
Leases (IFRS 16)	€	n.a.	n.a.	21,226	4,688	12,566	3,972	4,688	16,538
	€	n.a.	n.a.	-	-	-	-	-	-
Non-controlling investors' put options	€	n.a.	n.a.	35,260	-	-	35,260	-	35,260
Other liabilities (Liabilities vs Cortapedra: Acquisition Labrenta Srl)	€	3.00%	2026	13,659	0	13,659	-	0	13,659
Other liabilities	€	n.a.	n.a.	9	9	-	-	9	-
TOTAL other financial liabilities				**70,155**	**4,697**	**26,225**	**39,232**	**4,697**	**65,458**
TOTAL				**565,009**	**8,634**	**31,269**	**525,106**	**8,634**	**556,376**

				Nominal amount					
					Current	Non- current			
(€'000)	Currency	Nominal interest rate	Year of maturity	Total December 31, 2023	Within one year	Between one and five years	More than five years	Current	Total non-current
Bonds									
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	500,000	-	-	500,000
Interest on bonds	€	n.a.	2022	677	677	-	-	677	-
Transaction costs	€	n.a.	2028	(10,649)	-	(10,649)	-	-	(10,649)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**490,028**	**677**	**489,351**	**-**	**677**	**489,351**
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	€	Euribor 3M+4%	2029	350,000	-	-	350,000	-	350,000
Interest on bonds	€	n.a.	2022	1,212	1,212	-	-	1,212	-
Transaction costs	€	n.a.	2029	(12,272)	-	-	(12,272)	-	(12,272)
TOTAL SSN 2028 bonds - Guala Closures S.p.A.				**338,940**	**1,212**	**-**	**337,728**	**1,212**	**337,728**
Bank loans and borrowings:									
Transaction costs	€	n.a.	2027	(1,954)	-	(1,954)	-	-	(1,954)
Total Senior Revolving Credit Facility - Guala Closures S.p.A.				**(1,954)**	**-**	**(1,954)**	**-**	**-**	**(1,954)**
Other accrued expenses - Guala Closures S.p.A.	€	n.a.	2023	157	157	-	-	157	-
Facilities Labrenta S.r.l. (Italy)	€	n.a.	n.a.	4,796	1,912	-	2,883	1,912	2,883
Loans Itaú Bank (Brazil)	BRL	n.a.	2024	22	17	5	-	17	5
Financial Lease (Poland)	PLN	n.a.	n.a.	276	131	145	-	131	145
Financial Lease (Bulgaria)	BGN	n.a.	n.a.	1,103	322	782	-	322	782
Noco Banco (Anacorks)	€	Euribor 1M+1.25%	2027	234	-	234	-	-	234
Facilities Group FengYi (China)	CNY	n.a.	n.a.	3,728	3,574	154	-	3,574	154
Bancomer loans (Mexico)	USD	n.a.	2024	875	362	513	-	362	513
TOTAL other bank loans and borrowings				**11,192**	**6,476**	**1,833**	**2,883**	**6,476**	**4,716**
Other financial liabilities:									
Leases (IFRS 16)	€	n.a.	n.a.	21,367	4,525	14,741	2,101	4,525	16,841
Non-controlling investors' put options	€	n.a.	n.a.	45,210	5,890	39,320	-	5,890	39,320
Other liabilities (Liabilities vs FengYi minority)	CNY	n.a.	n.a.	2,274	-	2,274	-	-	2,274
Other liabilities (Liabilities vs Cortapedra: Acquisition Labrenta Srl)	€	3.00%	2026	13,977	3,640	10,337	-	3,640	10,337
Other liabilities (Liabilities vs FengYi minority: Acquisition FengYi)	CNY	n.a.	2025	7,197	5,585	1,612	-	5,585	1,612
Other liabilities	€	n.a.	n.a.	47	47	-	-	47	-
TOTAL other financial liabilities				**90,071**	**19,687**	**68,284**	**2,101**	**19,687**	**70,385**
TOTAL				**928,278**	**28,052**	**557,514**	**342,712**	**28,052**	**900,226**

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 33) to the consolidated financial statements for the assumptions underlying the calculation).

This caption has been recognised using the present access method, whereby the financial liability was recognised as a reduction in equity in the first year. The fluctuation in each year, if any, is recognised under financial income (expense) in profit or loss and the non-controlling interests continue to be presented separately as, to all effects, the non-controlling investors have the right to access the profit or loss pertaining to their investment.

Reference should be made to note 33) Fair value of financial instruments and sensitivity analysis for further details.

The Senior Revolving Credit Facility’s availability at December 31, 2023 is shown in the table below:

Credit facility	**Available amount ('000)**	**Amount used at Decembre 31, 2023**	**Residual available amount at December 31, 2023**	**Repayment date**
Senior Revolving Credit Facility due 2027	150,000	-	**150,000**	final repayment 12/15/2027
Total	**150,000**	**-**	**150,000**	

(27) Trade payables

These may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Suppliers	114,795	95,850
Advance payments to suppliers	716	346
Total	**115,511**	**96,196**

At December 31, 2023, trade payables may be analysed by original currency as follows:

(€'000)	EUR	USD	GBP	Other	Total
Trade payables	39,541	8,892	10,315	37,448	**96,196**

Other currencies include trade payables in the following local currencies:

(€'000)	December 31, 2023
Chinese renminbi	11,732
Indian rupee	6,033
Mexican peso	4,744
Australian dollar	4,672
Polish zloty	3,815
Ukrainian hryvnia	1,549
Bulgarian lev	1,549
Argentinian peso	927
New Zealand dollar	664
Kenyan shilling	718
Brazilian real	511
Other	535
Total	**37,448**

(28) Provisions

This caption may be analysed as follows:

CURRENT PROVISIONS:

(€'000)	December 31, 2022	December 31, 2023
Provision for company reorganisations	3,136	5,756
Provision for returns	2,217	2,096
Other provisions	717	3,975
Total current provisions	**6,070**	**11,828**

The provision for company reorganisations mostly related to UK.

Changes in the provisions are as follows:

(€'000)	31 December 2023
Opening balance	6,070
Exchange translation effect	40
Accruals	8,075
Utilisations	(3,683)
Reclassification	1,326
Closing current provisions	**11,828**

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

NON-CURRENT PROVISIONS:

(€'000)	December 31, 2022	December 31, 2023
Provision for legal disputes	1,913	560
Provision for agents' termination indemnity	166	184
Total non-current provisions	**2,079**	**744**

Changes in the provisions are as follows:

(€'000)	December 31, 2023
Opening balance	2,079
Exchange translation effect	(12)
Accruals	173
Utilisations	(1,497)
Closing non-current provisions	**744**

(29) Other current liabilities

This caption may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Amounts due to employees	16,651	17,800
Liabilities for investments	4,934	9,048
Social security charges payable	4,161	4,456
Liabilities for dividends	-	276
Other liabilities	15,345	18,417
Total	**41,091**	**49,997**

The increase in liabilities for investments is mainly di higher payables for capital expenditure in UK, Spain and Fengyi. Other liabilities mainly include liabilities for non-recurring costs and deferred income which increased compared to previous year.

(30) Employee benefits

These may be analysed as follows:

Thousands of Euros	December 31, 2022	December 31, 2023
Post-employment benefits - Guala Closures S.p.A.	2,819	2,740
Other	5,236	5,805
Total	**8,055**	**8,545**

Changes in Employee benefits are as follows:

(€/000)	December 31, 2022	December 31, 2023
Balance at January 1	8,913	8,055
Exchange rate gains	(29)	(33)
Change recognised in profit or loss - personnel expenditure	2,708	2,571
Change recognised in profit or loss - other (income)/expenditure	(25)	(103)
Change recognised in OCI	(1,745)	58
Benefits paid	(1,766)	(2,002)
Balance at December 31	**8,055**	**8,545**

The liability for post-employment benefits ("TFR" – Trattamento di fine rapporto) relates to Guala Closures S.p.A. for employee departures, determined using actuarial techniques and regulated by article 2120 of the Italian Civil Code. The benefit is paid when the employee leaves the company as a lump sum, the amount of which corresponds to the total benefits accrued during the employees' service period based on payroll costs as revalued until their departure. Following the pension reform, from January 1, 2007, accruing benefits have been transferred to a pension fund or a treasury fund held by Italy's social security institution (INPS). Companies with less than 50 employees, can continue the scheme as in previous years. Therefore, contributions of future TFR to pension funds or the INPS treasury fund entails that these amounts will be treated as a defined contribution plan. Amounts vested before 1 January 2007 continue to be accounted for as defined benefits to be assessed based on actuarial assumptions.

Changes recognised in post-employment benefits and the main assumptions used in their measurement are detailed below:

Thousands of Euros	December 31, 2023
Balance at January 1	2,819
Change recognised in profit or loss - other (income)/expenditure	48
Change recognised in OCI	86
Benefits paid	(213)
Balance at December 31	**2,740**

Actuarial parameter baseline:

	December 31, 2023
Average inflation rate	2.00% p.a.
Discount rate	2.94% p.a.
Annual rate of increase in post-employment benefits	3.00% p.a.

For valuations at December 31, 2023, an annual fixed discount rate of 3.57% was used based on the value of the indexes AA corporate bonds 7 -10 year duration at the valuation date, as per the requirements of IAS 19.

The Group expects to pay around €0.3 million of benefits to its defined benefit plan in 2024.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming the other variables do not change, would have affected Guala Closures S.p.A.'s post-employment benefits at December 31, 2023 by the amounts shown below:

	Defined benefit obligation	
(€'000)	Increase	Decrease
Turnover rate (1% variation)	4	(4)
Average inflation rate (0.25% variation)	26	(26)
Discount rate (0.25% variation)	(41)	42

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The defined benefit plan of Guala Closures Deutschland depends on some works agreement of the company to its board members, executives and employees affecting all regular staff employees over the age of 25, if employment began before the age of 55 and employment by the company was established before November 30, 2006 and if the employment is active with the company as of January 1, 2020.

Changes in defined benefit plan and the main assumptions used in their measurement are detailed below:

(€'000)	December 31, 2022	December 31, 2023
January 1	2,640	1,485
Interest	134	123
Past service cost/Settlements	(44)	(7)
Change recognised in OCI	(1,201)	134
Benefits paid	(44)	(11)
December 31	**1,485**	**1,724**

Actuarial parameter baseline:

	December 31, 2022	December 31, 2023
Discount rate at period-end	1.00%	3.25%
Future salary increases	2.25%	2.25%
Future pension increases ('Average' rate)	1.80%	1.80%

Sensitivity analysis:

Reasonably possible changes at the reporting date, assuming the other variables do not change, would have affected Guala Closures Deutschland's defined benefit plan at December 31, 2023 by the amounts shown below:

	Defined benefit obligation	
(€'000)	**Increase**	**Decrease**
Pension indexation (0.5% variation)	121	(110)
Salary rate (0.5% variation)	65	(61)
Discount rate (0.5% variation)	(169)	195

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Guala Closures UK has a defined benefit pension plan under which the employees of the former Metalclosures Ltd have the right to a pension. This plan has a surplus at December 31, 2023 (i.e., the fair value of the plan assets is higher than the present value of the defined benefit obligation). As required by IAS 19 and IFRIC 14, the surplus that can be recognised must be less than the benefits available in the form of reimbursements or the contribution holiday: following completion of the West Bromwich site restructuring plan in 2008, the amount of the contribution holiday is zero and, therefore, the English company has not recognised the fund surplus. In addition, the group did not have contingent liabilities at the reporting date as the fund covers the present value of its future obligations with its plan assets.

During 2022, the Trustees entered into a 'buy-in' transaction, with a significant proportion of the Scheme's assets transferred to a third-party insurance company, as investing decision to transfer risk relating to members' benefits to the insurer.

This may be converted to a 'buy-out' in the future whereby the liabilities would be extinguished from the company's perspective, and obligation to pay members' benefits would be passed to the insurer. This would become possible following completion of various administrative and legal procedures. Upon completion, the obligation would be fully transferred and the company relieved of any future liability. Since there is enough evidence to indicate that there is significant uncertainty as to whether the company will get access to any of the surplus especially with the buy-in arrangement signed in the current year, no impact of such transaction is accounted for in the financial statements following the guidance of IFRIC 14.

For disclosure purposes, the amounts of the fund obligations and plan assets, as well as the baseline actuarial parameters used for their calculation, are shown below:

Thousands of Euros	**December 31, 2022**	**December 31, 2023**
Present value of the obligations	(44,536)	(43,262)
Fair value of plan assets	51,772	49,902
Total	**7,236**	**6,639**

Changes in the components of Guala Closures UK Ltd.'s pension fund may be analysed as follows.:

Changes in the net amount of the fund:

Thousands of Euros	December 31, 2022	December 31, 2023
Balance at January 1	21,702	7,236
Exchange rate (gains) losses	(645)	168
Service cost	(36)	(113)
Interest on defined benefit obligation	(1,289)	(2,120)
Interest on plan assets	1,695	2,473
Scheme administration expenses	(991)	(489)
Actuarial (gains) losses	(13,200)	(517)
Balance at December 31	**7,236**	**6,639**

Changes in the present value of the obligations:

Thousands of Euros	December 31, 2022	December 31, 2023
Balance at January 1	(70,204)	(44,536)
Exchange rate (gains) losses	2,914	(899)
Service cost	(36)	(113)
Interest on defined benefit obligation	(1,289)	(2,120)
Contribution by plan participants	(5)	(3)
Benefits paid	2,638	4,284
Actuarial gains	21,446	124
Balance at December 31	**(44,536)**	**(43,262)**

Changes in the fair value of plan assets:

Thousands of Euros	December 31, 2022	December 31, 2023
Balance at January 1	91,906	51,772
Exchange rate (gains) losses	(3,559)	1,048
Interest on plan assets	1,695	2,473
Scheme administration expenses	(991)	(489)
Contribution by plan participants	5	3
Benefits paid	(2,638)	(4,264)
Actuarial losses	(34,646)	(641)
Balance at December 31	**51,772**	**49,902**

Plan assets comprise (major categories of plan assets as a percentage of the total plan assets):

	December 31, 2022	December 31, 2023
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Annuities	87%	14%
Cash	13%	86%

All equities and government bonds have quoted prices in active markets.

Actuarial parameter baseline:

	December 31, 2022	December 31, 2023
Salary growth rate	4.00% p.a.	n/a
Rate of increase in pensions provided (average)	3.00% p.a.	3.00% p.a.
Average inflation rate	3.15% p.a.	3.10% p.a.
Discount rate	4.95% p.a.	4.60% p.a.

The group does not expect to pay any further contributions in 2023 in relation to these defined benefit obligations.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming the other variables do not change, would have affected Guala Closures UK's defined benefit pension plan at December 31, 2022 by the amounts shown below:

(€'000)	Impact on present value of the obligations	Impact on fair value of plan assets
Life expectancy (+1 year)	(2,301)	-
Average inflation rate (-0.1% p.a.)	(230)	-
Discount rate (+0.1% p.a.)	1.266	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(31) Equity attributable to the owners of the parent

The paid-up and subscribed share capital of Guala Closures S.p.A. at December 31, 2023 remained unchanged compared to December 31, 2022 and amounts to €68,907 thousand consisting of 70,028,654 ordinary shares.

On September 27, 2023, Guala Closures S.p.A. shareholders' meeting approved the reclassification of €9.9 million from Retained earnings and other reserves to Legal Reserve in order to distribute dividends.

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

The group monitors the debt/equity ratio on an ongoing basis, particularly in terms of net indebtedness and cash flows generated by operating activities.

The board of directors carefully monitors the balance between greater returns through the right level of indebtedness and the advantages of a sound financial position.

More information is available in the directors' report, section 2.1) "Significant events of the year" and note.

(32) Equity attributable to non-controlling interests

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

(€'000)	Non-controlling interests (%) at December 31, 2022	Non-controlling interests (%) at December 31, 2023	Balance at December 31, 2022	Balance at December 31, 2023
Guala Closures Technologia Ukraine LLC	30.0%	30.0%	15,010	18,081
Guala Closures India Pvt Ltd.	5.0%	5.0%	3,215	2,926
Guala Closures de Colombia LTDA	6.8%	6.8%	555	792
Guala Closures Bulgaria A.D.	30.0%	30.0%	3,107	2,625
Guala Closures DGS Poland S.A.	30.0%	30.0%	24,519	23,681
Guala Closures BY LLC	30.0%	15.0%	50	(23)
Fengyi Guala Closures Group	-	30.0%	-	4,744
Total			**46,457**	**52,826**

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

The following tables summarise the information relating to each of the group's subsidiaries that have material non-controlling interests, before any intragroup eliminations.

(€'000)	Guala Closures DGS Poland S.A.	Guala Closures Technologia Ukraine LLC	Guala Closures Bulgaria A.D.	Guala Closures (India) Pvt Ltd	Fengyi Guala Closures (Sichuan) Co Ltd CONS	Other individually immaterial subsidiaries	Total
Non-controlling interests percentage	**30%**	**30%**	**30%**	**5%**	**30%**		
Non-current assets	51,549	18,360	6,188	51,890	16,942		
Current assets	44,368	52,762	4,707	29,163	35,329		
Non-current liabilities	(3,878)	(1,556)	(1,422)	(7,699)	(4,829)		
Current liabilities	(13,101)	(9,297)	(2,989)	(14,836)	(31,629)		
Equity	**78,938**	**60,269**	**6,483**	**58,517**	**15,813**		
Equity attributable to non-controlling interests	**23,681**	**18,081**	**1,945**	**2,926**	**4,744**	1,449	**52,826**
Total revenue (third parties + related parties)	**125,570**	**65,809**	**14,169**	**67,606**	**18,908**		
Profit for the year	15,095	14,608	1,457	8,619	(411)		
Other comprehensive income/(expense)	5,290	(4,373)	-	(1,565)	138		
Comprehensive income/(expense)	**20,385**	**10,235**	**1,457**	**7,054**	**(273)**		
Profit (loss) allocated to non-controlling interests	4,529	4,382	437	431	(123)	228	**9,884**
OCI allocated to non-controlling interests	1,587	(1,312)	-	(78)	41	136	**374**
Comprehensive income (expense) allocated to non-controlling interests	**6,116**	**3,070**	**437**	**353**	**(82)**	**364**	**10,257**
Cash flows from operating activities	30,095	29,723	3,449	18,884	610		
Cash flows used in investing activities	(2,869)	(3,530)	(762)	(4,989)	(2,000)		
Cash flows used in financing activities (including dividends to NCI)	(24,365)	(1,466)	(2,371)	(11,675)	(2,828)		
Net increase (decrease) in cash and cash equivalents	**2,861**	**24,727**	**316**	**2,220**	**(4,218)**		
Dividends to non-controlling interests	6,544	-	643	446	-	133	**7,767**

OTHER INFORMATION

(33) 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, 2022 and December 31, 2023. 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, 2022		**Carrying amount**					**Fair value**			
(€'000)	**Note**	**Designated at FVTPL**	**Fair value - hedging instruments**	**Loans and receivables at amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value										
Aluminium derivatives held for trading		-	-			-		-		-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets not measured at fair value (*)										
Trade receivables	18			139,583		**139,583**				-
Financial assets				2,744		**2,744**				-
Cash and cash equivalents	17			79,478		**79,478**				-
		-	**-**	**221,805**	**-**	**221,805**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Aluminium derivatives used for trading		(976)	-			**(976)**		(976)		**(976)**
Non-controlling investors' put options	23	(35,260)				**(35,260)**		-	(35,260)	**(35,260)**
		(36,236)	**-**	**-**	**-**	**(36,236)**		**(976)**	**(35,260)**	**(36,236)**
Financial liabilities not measured at fair value (*)										
Secured bank loans	23				(623)	**(623)**		(623)		**(623)**
Unsecured bank loans	23				(6,357)	**(6,357)**		(6,357)		**(6,357)**
Secured bond issues	23				(487,874)	**(487,874)**		(430,274)		**(430,274)**
Lease liabilities (IFRS 16)	23				(21,226)	**(21,226)**				-
Trade payables	28				(115,511)	**(115,511)**				-
Liabilities vs Cortapedra: Acquisition Labrenta S.r.l.	23				(13,659)	**(13,659)**				-
Other financial liabilities	23				(9)	**(9)**				-
		-	**-**	**-**	**(645,260)**	**(645,260)**	**-**	**(437,254)**	**-**	**(437,254)**

December 31, 2023		Carrying amount					Fair value			
(€'000)	Note	Designated at FVTPL	Fair value - hedging instruments	Loans and receivables at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value (*)										
Trade receivables	20			126,077		**126,077**				-
Financial assets				4,190		**4,190**				-
Cash and cash equivalents	19			196,280		**196,280**				-
		-	-	**326,547**	-	**326,547**	-	-	-	-
Financial liabilities measured at fair value										
Aluminium derivatives used for hedging		-	(68)			**(68)**		(68)		**(68)**
IRS used for hedging		-	(6,799)			**(6,799)**		(6,799)		**(6,799)**
MIP		(7,674)				**(7,674)**			(7,674)	**(7,674)**
Non-controlling investors' put options	26	(45,210)				**(45,210)**			(45,210)	**(45,210)**
		(52,884)				**(59,751)**		-	**(52,884)**	**(59,751)**
		-	-	-	-	-		-	-	-
Financial liabilities not measured at fair value (*)										
Secured bank loans	26				(816)	**(816)**		(816)		**(816)**
Unsecured bank loans	26				(8,422)	**(8,422)**		(8,422)		**(8,422)**
Secured bond issues	26				(828,968)	**(828,968)**		(810,834)		**(810,834)**
Lease liabilities (IFRS 16)	26				(21,367)	**(21,367)**		-		-
Trade payables	27				(96,196)	**(96,196)**				-
Other liabilities (Liabilities vs FengYi minority)	26				(2,274)	**(2,274)**				-
Liabilities vs Cortapedra: Acquisition Labrenta Srl)	26				(13,977)	**(13,977)**				-
Liabilities vs FengYi minority	26				(7,197)	**(7,197)**				-
Other financial liabilities	26				(47)	**(47)**				-
		-	-	-	**(979,264)**	**(979,264)**	-	**(820,072)**	-	**(820,072)**

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

(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

Level 1

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

Level 2

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

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

Even though secured bond issues are quoted on the OTC market as on the Euro-MTF market in Luxembourg, no relevant transactions were recorded during the year and therefore, these financial instruments were classified as level 2.

Furthermore, the fair value information for financial assets and financial liabilities not measured at fair value is not included as their carrying amount is a reasonable approximation of fair value.

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

Level 3

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

Financial instruments measured at fair value.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-controlling interests' put options	• Discounted cash flows: The fair value is determined considering the expected payment, capitalised at the reporting date, net of the expected dividend yields, discounted to present value using a credit risk-adjusted discount rate. The expected payment is calculated considering the fair value of the subsidiary or its equity based on the relevant contractual agreements with non-controlling investors. • Forecasted EBITDA and net financial position based on the agreement with minority. The fair value is determined considering the expected EBITDA and Net financial position, discounted to present value using a credit risk-adjusted discount rate.	• Expected cash flows in the Projections (€58 million); • inflation data about Ukraine, Poland and the USA, used to calculate risk-free rates (1.8%-2.4%); • discount rate specific to the country in which the subsidiary operates, adjusted by the group's credit risk (7%-15%); • expected date of put option exercise based on demographic assumptions (age of retirement 65-72) and any change of control clauses.	The estimated fair value would increase if: • the gross operating profit was higher; • the net financial position was better; • the risk-free rate of the country decreased; • the expected dividend yield decreased; • the inflation rate differential between Ukraine and the USA increased the discount rate adjusted by the group's credit risk; • the expected inflation rate of the country in which the subsidiary is domiciled increased in the last year of the Projections; • the expected exercise date for the put option was earlier due to the bringing forward of the pensionable or mortality date and/or exercise of the change-of-control clauses of Guala Closures Group and local administrators.

(ii) Level 3 fair values

Reconciliation of Level 3 fair values

Level 3 fair values at December 31, 2022 and 2023 are shown below:

(€'000)	
December 31, 2022	35,260
Included in "financial expenditure" Net fair value loss (unrealised)	2,240
FengYi put option - change in perimeter	7,711
MIP - Net fair value loss	7,674
Balance at December 31, 2023	**52,885**

Sensitivity analysis

Reasonably possible changes at December 31, 2023 to one of the significant inputs that is not directly observable, while assuming other inputs remain constant, would have had the following effects on the fair value of the non-controlling investors' put options:

(€'000)	**Increase/(decrease) in input data not directly observable**	**Favourable/(unfavourable) effect on the profit (loss) for the period**
Risk-adjusted discount rate	1%	671
	(1%)	(703)
Growth rate	1%	(545)
	(1%)	519
Expected date of put option exercise	+ 1 year	3,021
	- 1 year	(3,157)

(b) Financial risk management

The group is exposed to the following risks as a result of its operations:

- credit risk;
- liquidity risk;
- interest rate risk;
- currency risk;
- other price risk.

Guala Closures S.p.A.'s board of directors has overall responsibility for establishing and monitoring a risk management system for the group.

The proxy system ensures the risk management guidelines are implemented and regularly monitored.

The finance department is responsible for the monitoring and, in carrying out such activities, it uses information generated by the internal control system.

Credit risk

This is the risk that a customer or the counterparty to a financial instrument is unable to meet an obligation, leading to a financial loss. These risks arise mainly in relation to trade receivables and financial investments.

The group's exposure to credit risk depends largely on each customer's specific characteristics. The demographics of the group's customer portfolio, including the sector insolvency risk and the country risk, have an impact on the credit risk.

The group accrues a loss allowance equal to the estimated losses on trade and other loans and receivables. It comprises both the recognition of impairment losses for material individual amounts and the recognition of collective impairment for similar groups of assets to cover losses already incurred but not yet identified. The collective impairment losses are calculated on the basis of historical payment statistics.

Most of the group's trade receivables are due from leading operators of the alcoholic and non-alcoholic beverage segment. Most of its trading relationships are with longstanding customers.

The group reduces its credit risk using supplier financing lines made available by the group's main customers, factoring without recourse part of its trade receivables.

The group's historical figures indicate a modest amount of credit losses. The risk is fully covered by the corresponding loss allowance recognised in the consolidated financial statements.

There are no cases of particularly concentrated credit risk in geographical terms.

At December 31, 2022 and 2023, trade receivables may be analysed by geographical segment as follows:

(€'000)	December 31, 2022	December 31, 2023
Europe	65,774	50,823
Asia	18,323	25,655
Latin America	43,176	31,115
Oceania	4,931	5,053
Rest of the world	7,379	13,431
Total	**139,583**	**126,077**

At December 31, 2023, trade receivables may be analysed by due date as follows:

(€'000)	Gross amount December 31, 2023	Impairment losses December 31, 2023	Net amount December 31, 2023
Not past due	109,818	(901)	108,915
0-30 days past due	16,428	(122)	16,306
31-120 days past due	3,925	(3,071)	854
More than 120 days past due	2,424	(2,424)	-
Total	**132,595**	**(6,518)**	**126,077**

The group believes that the unimpaired amounts that are past due by more than 90 days are still collectible, based on historical payment behaviour and extensive analyses of the underlying customers' credit ratings. Based on historical default rates, the group believes that, apart from the above, no loss allowance is necessary in respect of trade receivables not yet due or past due by up to 90 days.

At December 31, 2023, trade receivables may be analysed by original currency as follows:

(€'000)	EUR	USD	INR	GBP	Other	Total
Trade receivables	36,175	22,130	10,251	7,839	49,682	**126,077**

Other currencies include trade receivables in the following local currencies:

(€'000)	**December 31, 2023**
Chinese renminbi	13,319
Mexican peso	7,958
Polish zloty	6,259
Ukrainian hryvnia	4,021
Australian dollar	3,484
Brazilian real	2,912
Colombian peso	2,716
South Africa rand	2,489
Chilean peso	2,125
Kenyan shilling	1,593
New Zealand dollar	1,415
Argentinian peso	1,183
Other	208
Total	**49,682**

Liquidity risk

This risk regards the group's ability to meet its obligations arising from financial liabilities.

The group's approach to liquidity management is to ensure adequate funds are always available to meet its obligations at the expiry dates, both in normal conditions and at times of financial difficulty, without incurring borrowing expense at terms higher than market conditions.

The group generally ensures there is sufficient cash and cash equivalents to cover forecast short-term operating expenses, including those related to financial liabilities. Contingent effects arising from extreme situations that cannot reasonably be forecast, such as natural disasters, are excluded from the above.

The aim of Guala Closures Group's financing strategy is to maintain a well-balanced maturity profile for liabilities to thereby reduce the refinancing risk. Historically, the group has always met its obligations on time and has been able to re-finance indebtedness before its expiry.

Reference should be made to the tables in note 26) "Current and non-current financial liabilities" to these consolidated financial statements for information on the group's loans, credit lines and facilities at the reporting date.

Exposure to liquidity risk

The following are the outstanding contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

(€'000)	Carrying amount	Contractual cash flows Within one year	 From one to five years	 After five years	 Total contractual cash flows
Non-derivative financial liabilities					
Put option on non-controlling interests	45,210	(5,887)	(53,470)	-	(59,357)
Secured bank loans	816	(3,775)	(2,908)	-	(6,683)
Unsecured bank loans	8,422	(2,950)	(3,106)	-	(6,057)
Secured bond issues	828,968	(45,869)	(676,922)	(365,025)	(1,087,816)
Finance lease liabilities	21,367	(4,525)	(14,741)	(2,101)	(21,367)
Trade payables	96,196	(96,196)	-	-	(96,196)
Other liabilities (Liabilities vs FengYi minority)	2,274	(2,274)	-	-	(2,274)
Earn-out/deferred price FengYi	7,197	(7,197)	-	-	(7,197)
Liabilities vs Cortapedra S.r.l. Acquisition Labrenta S.r.l.)	13,977	-	-	-	(14,565)
Other	47	(47)	-	-	(47)
Total	**1,024,474**	**(172,362)**	**(762,072)**	**(367,126)**	**(1,301,559)**
Derivative financial liabilities					
Interest rate swaps used for hedging	6,799		(6,799)		
Aluminium derivatives used for hedging	68	(68)	-	-	-
Total	**6,867**	**(68)**	**(6,799)**	**-**	**-**

The interest payments on variable interest rate loans and bond issues in the table above and included in contractual cash flows reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on the put options on non-controlling interests and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change.

Except as previously reported, it is not expected that the cash flows included in the maturity analysis will materialise significantly earlier, or at significantly different amounts.

Interest rate risk

Interest rate risk relates to volatility of the market rates which determine the interest expense paid on outstanding loans.

The Group is exposed to interest rate risk as almost part of its financial liabilities is subject to the payment of interest at floating rates subject to short-term repricing.

The Group hedges the portion of the liability subject to interest rate risk.

Effective interest rate and repricing analysis

The following table shows the effective interest rate at the reporting date and for the period in which the related rate may be reviewed for interest-bearing financial assets and liabilities:

		Repricing date					
(€'000)	**Effective interest rate December 2023**	**Total 12/31/23**	**Up to 6 months**	**6 - 12 months**	**1 - 2 years**	**2 - 5 years**	**After 5 years**
Bonds							
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	3.25%	500,000	500,000	-	-	-	-
Interest on bonds	n.a.	677	677	-	-	-	-
Transaction costs	n.a.	(10,649)	(10,649)	-	-	-	-
TOTAL SSN 2028 bonds - Guala Closures S.p.A.		**490,028**	**490,028**	**-**	**-**	**-**	**-**
Bonds - Senior Secured Notes issued by Guala Closures S.p.A.	Euribor 3M+4%	350,000	350,000	-	-	-	-
Interest on bonds	n.a.	1,212	1,212	-	-	-	-
Transaction costs	n.a.	(12,272)	(12,272)	-	-	-	-
TOTAL SSN 2028 bonds - Guala Closures S.p.A.		**338,940**	**338,940**	**-**	**-**	**-**	**-**
Bank loans and borrowings:							
Transaction costs	n.a.	(1,954)	(1,954)	-	-	-	-
- Guala Closures S.p.A.		**(1,954)**	**(1,954)**	**-**	**-**	**-**	**-**
Other accrued expenses - Guala Closures S.p.A.	n.a.	157	157	-	-	-	-
Loans labrenta Srl	n.a.	4,796	4,796	-	-	-	-
Loans Itaú Bank (Brazil)	n.a.	22	22	-	-	-	-
Financial Lease (Poland)	n.a.	276	276				
Financial Lease (Bulgaria)	n.a.	1,103	1,103	-	-	-	-
Noco Banco (Anacorks)	Euribor 1M+1.25%	234	234	-	-	-	-
Facilities Group FengYi (China)	n.a.	3,728	3,728	-	-	-	-
Bancomer loans (Mexico)	n.a.	875	875				
TOTAL other bank loans and borrowings		**11,192**	**11,192**	**-**	**-**	**-**	**-**
Other financial liabilities:							
Leases (IFRS 16)	n.a.	21,367	21,367	-	-	-	-
Non-controlling investors' put options	n.a.	45,210	45,210				
Other liabilities (Liabilities vs FengYi minority)	n.a.	2,274	2,274	-	-	-	-
Other liabilities (Liabilities vs Cortapedra: Acquisition Labrenta Srl)	3.00%	13,977	13,977				
Other liabilities (Liabilities vs FengYi minority: Acquisition FengYi)	n.a.	7,197	7,197				
Other liabilities	n.a.	47	47	-	-	-	-
TOTAL other financial liabilities		**90,071**	**90,071**	**-**	**-**	**-**	**-**
TOTAL		**928,278**	**928,278**	**-**	**-**	**-**	**-**

Sensitivity analysis

The fair value of financial liabilities was calculated by an external actuary using the following methodology:

- the cash flows generated by the outstanding liabilities are identified both in terms of interest and principal. These cash flows are calculated with reference to the interest rates and the related repayment plan;

- the individual cash flows are discounted using risk-free rates ruling on the measurement date. These rates are deducted from the swap rates using the bootstrap method for each expiry date of the corresponding cash flow based on the resulting time curve;

- furthermore the individual cash flows are discounted using an additional rate, based on the group's credit standing, calculated as the weighted average of the spreads applied to the different financing agreements. The spreads applied to the financing agreements are deemed to objectively represent the group's credit standing and subsequent significant changes should not arise given its current financial position.

The interest applied to the Senior Secured Notes is fixed and the Senior Revolving Credit Facility was not used at December 31, 2023 so the sensitivity analysis for the cash flows from these financial liabilities is not necessary.

The interest applied to the Floating Rate Senior Secured Notes is floating: the following table show the variation in case of changes of the interest rate:

		+100 *bps*	**-100 *bps***
Floating rate senior secured notes due 2029	Euribor 3M (floor 0%) + 4%	(13,967)	12,453

Currency risk

This risk relates to the effect of fluctuations in exchange rates on sales and purchases in currencies other than the functional currencies of the various group companies.

The group is exposed to currency risk, particularly in relation to fluctuations of the US dollar, British pound, Australian dollar, Indian rupee, Ukrainian hryvnia and Polish zloty.

Interest on loans is denominated in the currency of the cash flows generated by the group's underlying transactions.

The risk of exchange fluctuations was managed in the past using currency hedges when significant differences are noted between cost and revenue in foreign currency and such differences were hedged through currency swaps. These provided for the purchase/sale of agreed amounts in foreign currency at a set exchange rate against the Euro.

Sensitivity analysis

The appreciation of the Euro, as indicated below, against the USD, GBP, AUD, INR, UAH and PLN at December 31, 2023 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on exchange rate fluctuations that the group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The analysis is performed on the same basis, although the changes in exchange rates differed to those expected, as indicated below.

	Strengthening		**Weakening**	
2023	**Assets**	**Profit or loss**	**Liabilities**	**Profit or loss**
USD (10% change)	1,959	1,959	(1,603)	(1,603)
GBP (10% change)	1,244	1,244	(1,018)	(1,018)
AUD (10% change)	(200)	(200)	164	164
INR (10% change)	1,511	1,511	(1,236)	(1,236)
UAH (10% change)	3,318	3,318	(2,714)	(2,714)
PLN (10% change)	1,066	1,066	(872)	(872)

Other price risks

As a result of the nature of its activities, the group is exposed to the risk of fluctuations in the purchase price of raw materials, particularly plastics and aluminium.

The risk of fluctuations in the purchase price of plastics has not been hedged as these raw materials were not listed on international markets.

The risk of fluctuations in the purchase price of aluminium is partly hedged based on market needs and outlook through derivatives which set the forward purchase price.

Aluminium held for hedging is related to hedged quantity of 250 tons with a fair value of € 68 thousand.

(34) Commitments and guarantees

Following the acquisition by SPSI of 100% of the voting shares in the capital of Guala Closures, on August 3, 2021, SPSI granted an Italian law governed share pledge in respect of the shares it owns in Guala Closures (the "Italian Pledge") to secure Guala Closures' €500 million 3¼% Senior Secured Notes due in 2028 issued on July 7, 2021 (the "2028 Notes") and its €80.0 million (equivalent) multi-currency revolving credit facility (the "2027 RCF"). On August 3, 2021, Guala Closures granted a Dutch law governed share pledge over the shares that it holds in Guala Closures International B.V. to secure the 2028 Notes and the 2027 RCF (the "Dutch Pledge" and together with the Italian Pledge, the "Initial Collateral").

In accordance with the provisions of the documents governing the 2028 Notes and the 2027 RCF, on December 17, 2021, Guala Closures Australia Holdings, Pty Ltd, Guala Closures Australia Pty Ltd, Guala Closures, Ibérica, S.A.U., Guala Closures International B.V. and Guala Closures U.K. Limited provided a guarantee of the 2028 Notes and the 2027 RCF (the "Initial Guarantors").

In addition, on December 17, 2021, Guala Closures' obligations and the guarantee obligations of each of the other Initial Guarantors under the 2028 Notes and the 2027 RCF were secured by the following pledges:

(i) Australian law governed specific security deed granted by Guala Closures International B.V. in respect of (i) shares held in Guala Closures Australia Holdings, Pty Ltd and (ii) intra-group receivables owed to it by Guala Closures Australia Holdings, Pty Ltd;
(ii) Australian law governed specific security deed granted by Guala Closures Australia Holdings, Pty Ltd in respect of (i) shares held in Guala Closures Australia Pty Ltd and (ii) intra-group receivables owed to it by Guala Closures Australia Pty Ltd;
(iii) Dutch law governed receivables pledge granted by Guala Closures in respect of intra-group receivables owed to it by Guala Closures International B.V.;
(iv) Polish law governed share pledge granted by Guala Closures International B.V. in respect of shares held in Guala Closures DGS Poland S.A.;
(v) Scots law governed share pledge granted by Guala Closures International B.V. in respect of shares held in Guala Closures U.K. Limited; and
(vi) Spanish law governed share pledge granted by Guala Closures International B.V. in respect of shares held in Guala Closures Ibérica S.A. (together, the "Post-Closing Collateral").

In accordance with the provisions of the documents governing the 2028 Notes and the 2027 RCF, on March 18, 2022, Guala Closures México, S.A. de C.V. ("Mexican Guarantor" and together with the Initial Guarantors, the "Guarantors") provided a guarantee of the 2028 Notes and the 2027 RCF. In addition, on March 18, 2022, Guala Closures' obligations and the guarantee obligations of each other Guarantor under the 2028 Notes and the 2027 RCF were secured by (i) a Mexican law governed share pledge granted by Guala Closures International B.V. in respect of shares held in the Mexican Guarantor and (ii) a Mexican law governed non-possessory receivables pledge granted by the Mexican Guarantor in respect of intra-group receivables owed to it by any of its material subsidiaries (the "Mexican Collateral" and together with the Initial Collateral and the Post-Closing Collateral, the "Collateral").

In addition, on August 8, 2022, Guala Closures established a €16.0 million (equivalent) multi-currency revolving credit facility (the "Additional RCF"). The Additional RCF was guaranteed by the Guarantors and secured by the Collateral on the same basis as the 2027 RCF and confirmatory collateral (or equivalent) was granted in respect of the existing Collateral to cover the Additional RCF in each applicable jurisdiction.

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

The other commitments of the group companies at December 31, 2023 are as follows:

(€'000)	December 31, 2023
Guala Closures S.p.A.	
Third party assets held by the group	7,986

(35) Related party transactions

Transactions with key management personnel are set our below:

(€'000)	Costs recognised in the period						Accrual for post-employment benefits at December 31, 2023	Payables at December 31, 2023	**Cash flows for the period**
	Fees for positions held	Incentives	Remuneration for employment	Accrual for post-employment benefits and other supplementary pension funds	Non-cash benefits	**Total**			
Total key management personnel	1,331	9,251	641	48	29	**11,301**	1	7,519	5,115

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

Related parties also include the pension fund for employees of the former Metal Closures Ltd. (now Guala Closures UK Ltd.) managed by Metal Closures Group Trustees Ltd. Considering the performance of the pension fund, the English company was not required to transfer funds thereto. Employees have paid their contributions. (Reference should be made to note 30).

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

(36) Contingent liabilities

Guala Closures India

In 2021 a tax audit was opened in India by the local Transfer Pricing Officer, after which, the entire management fees paid by Guala Closures India were disallowed as the arm's length price was calculated as 'nil'. The Transfer Pricing Officer applied the same adjustment to Indian FY 2012-13 to FY 2013-14, FY 2015-16 to FY 2018-19, for a total taxable amount of about INR769 million (about €8,4 million). Based on the documents collected about the costs under dispute and based on various Indian judicial precedents available on this topic, the company believes it has necessary evidence to defend its position before the appellate authority.

(37) Statutory auditors' and independent auditors' fees

The statutory auditors' fees are as follows:

(€/000)	**Costs recognised in the year**		**Liabilities at December 31, 2023**	**Cash flows for the year**
	Fees for position held	**Total**		
Total statutory auditors	130	130	130	107

(€'000)	*Provider*	*Beneficiary*	*2023 fees*
Audit fees	PwC S.p.A.	Parent	256
	PWC S.p.A.	Italian subsidiary	27
	PwC	Foreign subsidiaries	1.361
	Other independent auditors	Foreign subsidiaries	94
			1.738
Other services provided			
Limited assurance engagement on the Sustainability report	PwC S.p.A.	Parent	47
Total			**1.785**

(38) Events after the reporting period

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

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

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

- **Inauguration of the Gulin Plant**

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

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

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

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

By means of the addendum signed on March 15, 2024, the parties agreed to postpone the term for the delivery of the aforementioned documentations to April 30, 2024.

- **Acquisition of assets and inventory from Rivercap (formerly Labrenta South America)**

On April 9, 2024 Riverpack (formerly Labrenta South America) and Guala Closures do Brasil signed an agreement for the sale of all assets and inventory concerning the closure business of Riverpack to Guala Closures do Brasil, which will pay the relevant consideration offsetting a credit to be acquired by Guala Closures S.p.A. (having merged Labrenta S.r.l.).

On behalf of the board of directors
CEO
Mauro Caneschi
(signed on the original)

April 16, 2024

SEPARATE FINANCIAL STATEMENTS
Guala Closures SpA

Statement of profit or loss

(Euros)	2022	2023	Note
Net revenue	**211,827,402**	**175,684,221**	4
Change in inventories of finished goods and semi-finished products	6,029,576	(3,947,856)	
Other operating income	36,024,102	55,241,428	5
Internal work capitalised	3,281,776	4,343,050	6
Costs for raw materials	(154,909,245)	(109,521,924)	7
Costs for services	(44,916,495)	(40,341,894)	8
Personnel expense	(34,367,914)	(44,380,900)	9
Other operating expenses	(1,989,186)	(3,190,803)	10
Impairment losses on trade receivables and contract assets	(1,520,000)	(115,000)	
Impairment losses	(225,502)	(34,144)	
Amortization and depreciation	(10,023,956)	(10,967,318)	26-27-28
Financial income	13,922,825	22,177,541	11
Financial expense	(23,232,663)	(28,154,027)	12
Dividends	8,000,000	-	13
Profit before taxation	**7,900,720**	**16,792,374**	
Income taxes	23,940,177	(3,259,457)	15
Profit for the year	**31,840,897**	**13,532,917**	

Statement of profit or loss and other comprehensive income

(Euros)	2022	2023
Profit for the year	**31,840,897**	**13,532,917**
Other comprehensive income/(expense)		
Actuarial gains/(losses) on defined benefit liability (asset) (including taxes)	**269,614**	**(37,308)**
Items that will not be reclassified to profit or loss:	**269,614**	**(37,308)**
Hedging reserve	58,231	(6,808,305)
Net change in fair value of cash flow hedges reclassified to profit or loss	(126,481)	(58,462)
Tax on items that are or may be reclassified subsequently to profit or loss	20,182	1,651,799
Items that will or may be reclassified subsequently to profit or loss:	**(48,068)**	**(5,214,968)**
Other comprehensive income/(expense) for the year, net of tax	**221,546**	**(5,252,276)**
Total comprehensive expense for the year	**32,062,443**	**8,280,641**

The notes on pages 168 to 237 are an integral part of the separate financial statements.

Statement of financial position

ASSETS

(Euros)	December 31, 2022	December 31, 2023	Note
Current assets			
Cash and cash equivalents	20,051,434	79,888,331	16
Current financial assets	1,878,226	9,970,156	17
Trade receivables	60,044,909	56,570,976	18
Inventories	30,138,576	23,412,388	19
Current direct tax assets	2,859,028	3,578,198	20
Current indirect tax assets	1,077,660	1,273,144	21
Derivative assets	-	-	22
Other current assets	2,189,420	14,158,431	23
Assets classified as held for sale	-	-	24
Total current assets	**118,239,253**	**188,851,624**	
Non-current assets			
Non-current financial assets	269,222,994	286,555,153	17
Investments	707,407,133	701,145,013	25
Property, plant and equipment	57,618,393	64,266,760	26
Right-of-use assets	2,920,673	2,734,119	27
Intangible assets	148,998,539	151,730,179	28
Deferred tax assets	-	3,170,788	30
Other non-current assets	2,575,235	1,896,924	31
Total non-current assets	**1,188,742,967**	**1,211,498,936**	
TOTAL ASSETS	**1,306,982,220**	**1,400,350,559**	

The notes on pages 168 to 237 are an integral part of the separate financial statements.

Statement of financial position

LIABILITIES

(Euros)	December 31, 2022	December 31, 2023	Nota
LIABILITIES AND EQUITY			
Current liabilities			
Current Loans and borrowings	2,412,754	6,562,877	32
Trade payables	51,836,726	28,284,288	33
Direct tax liabilities	820,000	2,328,904	34
Current indirect tax liabilities	1,169,704	1,122,019	35
Current provisions	1,741,676	2,047,168	36
Current derivative liabilities	976,091	67,780	37
Other current liabilities	14,929,903	23,741,750	38
Total current liabilities	**73,886,854**	**64,154,786**	
Non-current liabilities			
Non-current loans and borrowing	507,223,510	837,645,487	32
Other non current liabilities	-	8,674,440	39
Employee benefits	2,818,676	2,740,102	40
Deferred tax liabilities	1,012,608	-	30
Non-current derivative liabilities	-	6,798,990	37
Non-current provisions	215,310	230,850	36
Total non-current liabilities	**511,270,104**	**856,089,869**	
Total liabilities	**585,156,958**	**920,244,655**	
Equity			
Share capital	68,906,646	68,906,646	
Share premium reserve	423,836,890	388,340,575	
Legal reserve	2,310,127	13,781,329	
Other reserve	203,482,030	687,345	
Hedging reserve	-	(5,214,968)	
Losses carried forward	(8,551,328)	72,060	
Profit for the year	31,840,897	13,532,917	
Total equity	**721,825,262**	**480,105,904**	41
TOTAL LIABILITIES AND EQUITY	**1,306,982,220**	**1,400,350,559**	

The notes on pages 168 to 237 are an integral part of the separate financial statements.

Statement of cash flows

(Euros)	2022	2023	Note
Opening cash and cash equivalents	**26,248,492**	**20,051,434**	
A) Cash flows from operating activities			
Profit before taxation	7,900,720	16,792,374	
Adjustments for:			
Amortisation, depreciation and impairment losses	10,023,956	10,967,318	26-27-28
Income from equity investments	(8,000,000)	-	13
Financial income	(13,922,825)	(22,177,541)	11
Financial expense	23,232,663	28,154,027	12
Net gains on sale of non-current assets	(109,050)	(343,910)	26-27-28
Changes in:			
Receivables, payables and inventories	(8,223,548)	(13,352,317)	18-19-33
Other	4,465,562	782,408	
Income taxes paid	(2,676,670)	(1,303,089)	21-35
Net cash flows from operating activities	**12,690,808**	**19,518,270**	
B) Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets	(13,655,290)	(24,485,620)	26-27-28
Proceeds from sale of property, plant and equipment and intangible assets	2,738,899	4,629,260	26-27-28
Acquisition of Labrenta	(14,564,260)	-	25
Net cash flows used in investing activities	**(25,480,652)**	**(19.856.360)**	
C) Cash flow from financing activities			
Interest received	14,109,984	13,647,188	11-12
Interest paid	(17,623,860)	(21,551,713)	11-12
Transaction costs paid for the Bridge Facility Agreement, new bonds and the Senior Revolving facility	(558,822)	(3,590,791)	
Other financial items	270,962	(2,912,461)	
Dividends from GC International	8,000,000	-	13
Dividends paid to Sharehoders	-	(250,000,000)	
Acquisition sponsor warrant	(1,000,000)	-	
Proceeds from new borrowings and bonds	1,201,510	342,930,000	32
Loans ICO granted	-	(40,171,885)	32
Repayment received of loans ICO	-	22,439,219	32
Repayment of finance leases	(1,179,898)	(1,322,590)	32
Change in financial assets	4,623,769	560,960	17
Net cash flows from (used) in financing activities	**7,843,645**	**60,027,927**	
D) Net cash flows for the year	**(4,946,198)**	**59,689,837**	
Effect of exchange fluctuations on cash held	(1,250,860)	147,060	
E) Closing cash and cash equivalents	**20,051,434**	**79,888,331**	

The notes on pages 168 to 237 are an integral part of the separate financial statements.

Statement of changes in equity

(Euros)	2021	Profit allocation 2021	Profit 2022	OCI	Purchase of sponsor warrant	Capital increase	2022
Share capital	68,906,646						68,906,646
Share premium reserve	423,836,890						423,836,890
Legal reserve	1,823,631	486,496					2,310,127
Other reserve	180,238,605	9,243,425		-	(1,000,000)	15,000,000	203,482,030
Hedging reserve	48,068			(48,068)			-
Losses carried forward	(8,820,942)			269,614			(8,551,328)
Profit for the year	***9,729,921***	***9,729,921***	***31,840,897***				***31,840,897***
Total equity	**675,762,818**	**-**	**31,840,897**	**221,546**	**(1,000,000)**	**15,000,000**	**721,825,262**

(Euros)	2022	Profit allocation 2022	Profit 2023	OCI	Reclassification Shareholders meeting 09/27/2023		Dividend distribution Shareholders meeting 09/27/2023	2023
					Incr. Reserve	Cov. Losses		
Share capital	68,906,646							68,906,646
Share premium reserve	423,836,890						(35,496,315)	388,340,575
Legal reserve	2,310,127	1,592,045			9,879,157			13,781,329
Other reserve	203,482,030	30,248,852			(9,879,157)	(8,660,696)	(214,503,685)	687,345
Hedging reserve	-			(5,214,968)				(5,214,968)
Losses carried forward	(8,551,328)			(37,308)		8,660,696		72,060
Profit for the year	***31,840,897***	***31,840,897***	***13,532,917***					***13,532,917***
Total equity	**721,825,262**	**-**	**13,532,917**	**(5,252,276)**	**-**	**-**	**(250,000,000)**	**480,105,904**

The notes on pages 168 to 237 are an integral part of the separate financial statements.

Notes to the separate financial statements of Guala Closures S,p,A., at December 31, 2023



General information

1. The Company's activities and key changes in its ownership structure during the year

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

The financial statements were authorised for issue by the directors on April 16, 2024. The directors have the power to amend and reissue the financial statements.

Guala Closures S.p.A.'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 on domestic and international markets.

Guala Closures S.p.A. mainly operates in the design and production of anti-adulteration closures (Safety), customised closures (Luxury), roll-on closures and others.

2. Changes to standards

The new standards and/or amendments thereto applicable to annual reporting periods beginning on or after January 1, 2023 are set out below:

- Reference to Conceptual Framework (Amendments to IFRS 3): the changes in Reference to the Conceptual Framework (Amendments to IFRS 3):
  - update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
  - add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination;
  - add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16): amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss;
- Onerous contracts - Costs of fulfilling a contract (Amendments to IAS 37): specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract);
- Annual improvements to IFRS Standards (Cycle 2018–2020), containing the following amendments to IFRS:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRS;
  - IFRS 9 Financial Instruments - Fees in the ‘10 per cent’ test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in paragraph B3,3,6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf;
  - IFRS 16 Leases - Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example;
  - IAS 41 Agriculture - Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13;
  - Amendments to IAS 1 - Classification of Liabilities as Current or Non-current;
  - Amendments to IAS 12 - ‘Income Taxes’ Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021);

  - Amendments to IAS 12 - 'Income Taxes: International Tax Reform – Pillar Two Model Rules' (issued on 23 May 2023);
  - IFRS 17 - Insurance contracts and Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 – Comparative Information;
  - Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies;
  - Amendments to IAS 8 - Definition of Accounting Estimates.

The new standards and amendments are not expected to have any significant impacts on the consolidated financial statements.
In addition, the following list includes the recent changes to the standards or amendments that are required to be applied for an annual period beginning after January 1, 2024 and that are available for early adoption in annual periods beginning on January 1, 2024:

- Amendments to IFRS 16 - 'Leases: Lease Liability in a Sale and Leaseback' (issued on 22 September 2022)
- Amendments to IAS 1 - 'Presentation of Financial Statements':
  - Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
  - Classification of Liabilities as Current or Non-current - Deferral of the effective date (issued on 15 July 2020); and
  - Non-current Liabilities with Covenants (issued on 31 October 2022).

These new documents, having a deferred date of entry into force, were not adopted for the preparation of these separate financial statements, but will be applied starting from the date of entry into force established as mandatory.

3. Accounting policies

Guala Closures S.p.A.'s separate financial statements at December 31, 2023 have been prepared in accordance with the IFRS issued by the International Accounting Standards Board and endorsed by the European Union, and related interpretations.

They have been prepared in Euros, rounding the amounts to the nearest thousand. Any discrepancies between the separate 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.

These separate financial statements have been prepared on a historical cost basis, except for derivatives, market warrants and contingent consideration arising in a business combination which are measured at fair value, and on a going concern basis. There are no business risks and/or any identified uncertainties which may cast doubts on the company's ability to continue as a going concern.

These separate financial statements have been prepared using the following formats:

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

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

Neither the Company nor the Group are subject to management or coordination activities.

(a) Use of estimates and judgements

Management has to make judgements, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, costs and revenue. Estimates and the related assumptions are based on past experience and other factors considered to be reasonable in the circumstances. They are adopted to estimate the carrying amount of assets and liabilities that cannot easily be assumed from other sources. However, as they are estimates, the actual figure may not match the result of the estimate, Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year is included in the following notes: loss allowance (note (n) estimated expected credit loss) and allowance for inventory write-down (note 19 inventory estimated recoverability), amortisation/depreciation and impairment of non-current assets (notes (h) (i) estimated useful life), employee benefits (note (o) actuarial assumptions), taxes (note 20 estimated future taxable income), provisions (note 36), measurement of financial derivatives (note 22 estimated interest rates), effects of business combinations (note 44 estimated fair value of acquired assets and liabilities).

Such estimates and assumptions are reviewed regularly. Any changes arising therefrom are recognised in the year in which the review takes place if this only affects that year. If the review relates to both current and future years, the change is recognised in the year in which the review takes place.

b) Accounting for business combinations

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is passed if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.
The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.
Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.
Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.
If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(c) Foreign currency

Foreign currency transactions, including the effects of fair value adjustments arising from business combinations and goodwill from acquisitions of entities whose functional currency is not the Euro, are translated into the functional currency applying the exchange rate ruling on the transaction date. Monetary items in foreign currency existing at the reporting date are translated into Euros using the closing rate. Exchange gains and losses are taken to profit or loss. Non-monetary items measured at their historical cost in foreign currency are translated using the exchange rate ruling on the transaction date. Non-monetary items measured at fair value in foreign currency are translated into Euros using the exchange rates ruling on the date their fair value was determined.

(d) Cash and cash equivalents

Cash and cash equivalents include cash balances and on-demand deposits as well as all highly liquid investments with an original expiry date equal to or of less than three months.

Cash and cash equivalents are calculated in the same way for both the statement of financial position and statement of cash flows.

(e) Inventories

Inventories are measured at the lower of purchase or production cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

The production cost of finished goods includes the portions of the costs of raw materials and external materials and processing, as well as all other direct and indirect production costs reasonably attributable to the products, excluding financial expense.

Purchase or production cost is calculated on a weighted average cost basis.

Obsolete and/or slow-moving inventories are written down on the basis of their estimated possibility of use or future realisable value, through an accrual to the specific allowance adjusting the value of inventories. The amount is reinstated if, in subsequent years, the reasons for the write-down no longer exist.

(f) Assets held for sale and disposal groups

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets or employee benefit assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

(g) Investments

Investments in subsidiaries, associates and jointly-controlled companies are measured at cost, net of any impairment losses. Cost is the purchase price or the amount recognised following the merger and reflects the contribution amount in the financial statements at the acquisition-date considered in said financial statements.

Any positive difference arising at the time of purchase, between the acquisition cost and the Company's share of equity at the fair value of the investee, is included in the carrying amount of the investment and is tested annually for impairment, comparing the full carrying amount of the investment with its recoverable amount (the higher of fair value less costs to sell and value in use).

If there is evidence of impairment, an impairment loss is recognised. If the Company's share of losses of an investee exceeds the carrying amount of the investment and the Company has the obligation to cover it, the carrying amount of the investment is reduced to zero and the additional losses are recognised as a provision. If the impairment loss subsequently decreases or ceases to exist, it is reversed in profit or loss up to the original carrying amount.

Investments in other companies, consisting of non-current financial assets not held for trading, for which the fair value is difficult to determine, since they are unlisted companies, are measured at acquisition or subscription cost, reduced, if necessary, by impairment losses. If the Company's share of losses exceeds the carrying amount of the recognised investment, the carrying amount of the investment is reduced to zero and the share of further losses is not recognised as a liability, unless the Company has a legal or constructive obligation to cover them.

(h) Property, plant and equipment

Property, plant and equipment are recognised at historical cost, including directly related ancillary costs necessary for the use of the asset. Borrowing costs related to loans taken out specifically for investments in property, plant and equipment are considered part of the carrying amount of the related assets and, as such, capitalised.

Subsequent expenditure is included in an asset's carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the Company. This expenditure is depreciated over the related asset's residual useful life. All other expenditure is expensed in the year in which it is incurred.

Property, plant and equipment are shown net of accumulated depreciation and any impairment losses determined as set out later on.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The depreciation periods are as follows:

	Depreciation period (years)
Buildings	35
Light constructions	11
Specific plant, machinery, presses and moulds	15 – 25
Generic plant	11
Laboratory equipment	5
Canteen equipment, office furniture and equipment and fittings for exhibitions and trade fairs	5 – 9
Vehicles, canteen facilities	6
Internal means of transport, electronic equipment and mobile phones	6

Subsequent expenditure is included in an asset’s carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the Company. This expenditure is amortised over the related asset’s residual useful life. All other expenditure is expensed in the year in which it is incurred.

At the time of disposal or when there are no expected future economic benefits from an asset’s use, the caption is derecognised. Any gain or loss (calculated as the difference between the sales amount and carrying amount) is taken to profit or loss in the year of derecognition.

(i) Intangible assets

Trademark

Trademarks are generally measured at cost, determined in the same way as described for property, plant and equipment, except for Guala Closures Trademark which has an indefinite life, as there is no foreseeable limit to the period up to which the asset is expected to generate cash flows for the Company.

Guala Closures Trademark is adjusted for any accumulated impairment losses, determined using the criteria described in paragraph (o) impairment losses.

Goodwill

Goodwill arising from the acquisition of subsidiaries is initially recognised at cost. After initial recognition, goodwill is adjusted for any accumulated impairment losses, determined using the criteria described in paragraph (o) “impairment losses”.

Other intangible assets

These assets are measured at cost, determined in the same way as described for property, plant and equipment.

Other intangible assets, which all have a finite useful life, are subsequently shown net of accumulated amortisation and any impairment losses, determined in the same way as described for property, plant and equipment.

Useful life is checked annually and, where necessary, any changes are reflected on a prospective basis.

The gain or loss arising from the disposal of an intangible asset is determined as the difference between the net disposal proceeds and carrying amount. It is recognised in profit or loss at the time of disposal.

Research expenditure

Expenditure on research undertaken to gain scientific and technical knowledge and information is recognised as an expense when incurred.

Development expenditure

Development expenditure, which also relates to the application of research findings to a plan or design for the production of new or substantially improved products or processes, is capitalised when the product or process is feasible in technical and commercial terms and the Company has adequate resources to complete the development stage.

Capitalised development expenditure is measured at cost, net of accumulated amortisation and impairment losses.

It is classified under “Internal work capitalised”.

The amortisation periods for intangible assets are as follows:

	Amortisation period (years)
Development expenditure	5
Patents and trademarks	5 – 10
Software	5
Licences	5
Customer list	30
Other capitalised expenditure	5 or in the line with the contract term

Subsequent expenditure is included in an asset’s carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the Company. This expenditure is amortised over the related asset’s residual useful life. All other expenditure is expensed in the year in which it is incurred.

The gain or loss arising from the disposal of an intangible asset is determined as the difference between the net disposal proceeds and carrying amount. It is recognised in profit or loss at the time of disposal.

(j) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Company is a lessee

The Company recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in "*property, plant and equipment*" and lease liabilities in "*loans and borrowings*" in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases in which the Company is a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices.

When the Company acts as lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the least term as part of "*other revenue*".

(k) Income taxes

Income taxes comprise current and deferred tax. They are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax also includes any tax arising from dividends, royalties and interests, as well as penalties imposed by the tax authorities following their review of the tax position of previous years which found a difference in tax due.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The income tax consequences of dividends are recognised when the dividend is approved.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(l) Financial instruments

Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see paragraph (m)). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's key managers;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, value and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding in a given period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as for the profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium on its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is immaterial at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value, Net gains and losses, including any interest or dividend income, are recognised in profit or loss. See note (m) for derivatives designated as hedging instruments.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, Interest income, exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value, Interest income calculated using the effective interest method, exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, Interest expense and exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

See note (m) for financial liabilities designated as hedging instruments.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(m) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of currency risk on a net investment in a foreign operation.

At the inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventories, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same year or years during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same year or years as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(n) Share capital and equity

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a decrease in equity, net of any tax effects.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Business combinations

When as a result of a takeover/acquisition of control not involving the entire stake in the acquiree, the Company has the potential obligation to acquire the residual investment in the acquiree should the non-controlling investors exercise a put option and the non-controlling investor still has present access to the economic benefit associated with the underlying ownership interests, it recognises a liability calculated by discounting the estimated value at the exercise date using the present access method whereby a liability is recognised decreasing the equity caption "Retained earnings (losses carried forward)" in the first year, with subsequent remeasurement recognised in profit or loss as financial expense.

(o) Impairment losses

Non-derivative financial instruments

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on:

– financial assets measured at amortised cost;

– contract assets,

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs at the reporting date:

– debt securities that are determined to have low credit risk at the reporting date; and;

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition,

Loss allowances for trade receivables and contract assets are measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information,

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as enforcing a security (if any are held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

The gross carrying amount of a financial asset is partially or fully impaired to the extent the Company has no reasonable expectations of its recovery. For customers, the Company individually makes an assessment of the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company’s procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, except for inventories and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) Employee benefits

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Such liabilities are related mainly to TFR, as provided by Italian law.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Starting from January 1, 2007, the Finance Act (Law no, 296 of December 27, 2006, the "2007 Finance Act") and the relevant implementation decrees introduced important changes in the rules governing post- employment benefits ("TFR"), including the need for employees to decide on the allocation of their future benefits. In particular, this reform established that employees had to transfer the new amounts of their benefits to established pension funds or leave them with the company; in the latter case, the company would pay these amounts to a specific INPS (Italian social security institution) treasury account. Therefore, the post-employment benefits stated in the separate financial statements at the end of the year refers to the amount due to employees, not yet paid but vested up to December 31, 2006.

(q) Provisions

Provisions include certain or probable costs and charges, the amount or due date of which is unknown at year end. A provision is recognised when a company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow from the company of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. The provisions are stated as the best estimate of the expenditure required to settle the obligation at the reporting date or to transfer it to a third party at that date. If the impact of discounting the time value of money is significant, the provision is determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money, Where discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

(r) Share based payment

The Group's share-based payment plans and arrangements are primarily cash-settled payment arrangements.

For cash-settled plans, the fair value of the amounts payable to employees is recognised as an expense, with a corresponding increase in liabilities (employee benefits), over the vesting period. The liability is remeasured at each reporting date and at the settlement date so that the ultimate liability equals the cash payment on the settlement date. Any changes in the fair value of the liability are recognised in profit or loss.

(s) Revenue

The Company has applied IFRS 15 Revenue from Contracts with Customers since January 1, 2018. Specifically, IFRS 15 introduced a new model for revenue recognition based on the following five steps:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised, net of returns, discounts, rebates and bonuses, as well as taxes directly related to the sale of products and the provision of services. It is measured taking into account the consideration specified in the contract with the customer. The Company, which generally operates as principal, recognises revenue when it transfers control of the goods or services (point in time). Control of the safety and standard closures is transferred to the customers when the goods are delivered to their premises, i.e. when the goods are taken over by the carrier selected by the customer if earlier and, accordingly, the Company recognises the related revenue at such times. There are generally no further contractual obligations for the company.

There are no significant discounts for final customers and there are no contracts which enable customers to return products in exchange for new ones or cash reimbursements.

Usually, no costs are incurred to obtain or perform contracts with customers.

(t) Government grants

Grants relating to assets and income are recognised when there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Grants related to assets are recognised as deferred revenue under "Other liabilities" in the statement of financial position and are taken to profit or loss on a systematic basis to offset them against the depreciation of the relevant assets. Grants relating to income are recognised under Other operating income.

(u) Financial income and expense

The Company's financial income and finance expense include:

– interest income;

– interest expense;

– dividend income;

– dividends on preference shares classified as financial liabilities;

– the net gain or loss on the disposal of investments in debt securities measured at FVOCI;

– the net gain or loss on financial assets at FVTPL;

– the exchange gain or loss on financial assets and financial liabilities;

– impairment losses (and reversals) on investments in debt securities carried at amortised cost or FVOCI;

– the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination;

– the fair value loss on contingent consideration classified as a financial liability;

– hedge ineffectiveness recognised in profit or loss; and

– the reclassification of net gains and losses previously recognised in OCI on cash flow hedges of interest rate risk and currency risk for borrowings.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

(v) Determination of fair value

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

Several standards and disclosure requirements require the determination of fair value of financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – ie. the fair value of the consideration given or received, If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Statement of profit or loss

(4) Net revenue

Net revenue from third parties amounts to **€99,373 thousand** in 2023.

Net revenue may be analysed by geographical segment as follows:

(€'000)	2022	2023
Europe	84,570	75,900
Asia	6,788	6,532
Latin America	1,242	1,247
Rest of the world	11,810	15,694
Total	**104,411**	**99,373**

A breakdown by type of product is as follows:

(€'000)	2022	2023
Safety	47,823	46,922
Roll on	48,107	41,996
Other revenues	4,733	5,699
Luxury	3,748	4,756
Total	**104,411**	**99,373**

A breakdown by destination market is as follows:

(€'000)	2022	2023
Spirits closures	66,057	68,128
Olive oil & condiment closures	15,589	10,625
Wine closures	6,699	8,629
Water & beverage closures	8,559	6,128
Closures for other markets	7,502	5,788
Non-alcoholic beverage	5	75
Total	**104,411**	**99,373**

During 2023, the Company recognised **net revenue of €99,373 thousand,** down compared to 2022, mainly due to the extremely high growth in sales of closures and semi-finished products in aluminium performed in year 2022, difficult to replicate considering the different market situation, the raw material and energy purchase price inflation accompanied with a general growth of production costs.

Net revenue from subsidiaries amounts to **€76,311 thousand** in 2023.

It accounts for **50.7%** of total net revenue.

(€'000)	2022	2023
Guala Closures Iberica, S.A.	17,610	16,386
Guala Closures UCP Ltd.	19,884	15,703
Guala Closures Deutschland GmbH	19,745	16,352
Guala Closures Uk Ltd.	15,158	11,926
Guala Closures Mexico, S.A. de C.V.	16,309	9,127
Guala Closures Chile SpA	3,246	1,957
Guala Closures South Africa Pty Ltd.	1,652	1,238
Guala Closures Argentina S.A.	1,333	905
Guala Closures Technologia Ukraine LLC	2,126	529
Guala Closures (Chengdu) Co. Ltd.	-	501
Guala Closures Australia Pty Ltd.	2,614	366
Beijing Guala Closures Ltd.	1,445	307
Guala Closures North America, Inc.	858	272
Guala Closures France SAS	1,790	259
Guala Closures New Zealand Ltd.	2,535	232
Guala Closures India Pvt Ltd.	171	91
Guala Closures DGS Poland S.A.	445	49
Labrenta S.r.l.	-	46
Guala Closures do Brasil Ltda.	48	38
Guala Closures Bulgaria A.D.	373	18
Guala Closures Colombia Ltda	3	7
Guala Closures East Africa Ltd.	2	3
Guala Closures Turkey A.S.	70	-
Total	**107,417**	**76,311**

Net revenue from related parties may be analysed by geographical segment as follows:

(€'000)	2022	2023
Europe	77,201	61,267
Latin America	20,939	12,034
Asia	1,616	899
Oceania	5,149	599
Rest of the World	2,512	1,512
Total	**107,417**	**76,311**

As at 31 December 2023, **Net revenue from subsidiaries** have been impacted by the same scenario that influenced the third parties revenue.

(5) Other operating income

Other operating income - third parties include:

(€'000)	2022	2023
Insurance reimbursement	-	11,373
Other revenue	1,439	375
Ordinary prior year items	156	325
Gains	6	256
Customer contributions	198	181
Cost recoveries	131	126
Total	**1,930**	**12,636**

In 2023, **"Insurance reimbursement"** amounts to **€11,373 thousand** and refers to insurance reimbursement for the damage of a Magenta's lithography line due to damages caused by fire.

A new lithography line is going to enter in production by the first half of 2024.

Other operating income from subsidiaries amounts to **€42,605 thousand** in 2023 and accounts for **77.13%** of total other operating income, It is mainly due to the following:

a) the **service agreement** for the recharge to subsidiaries of costs incurred by Guala Closures S,p,A., on behalf of other group companies for accounting, financial, treasury, purchasing, personnel management and data management services and for the cost of insurance paid in Italy.

(€'000)	2022	2023
Guala Closures Mexico S.A. de C.V.	1,852	3,841
Guala Closures UK Ltd.	1,699	3,253
Guala Closures DGS Poland S.A.	1,497	2,151
Guala Closures (India) Pty Ltd.	1,518	2,091
Guala Closures Iberica S.A.	915	1,789
Guala Closures UCP Ltd.	1,150	1,625
Guala Closures North America, Inc.	876	1,453
Guala Closures Deutschland GmbH	869	1,431
Guala Closures Technologia Ukraine LLC	563	1,081
Guala Closures Australia Holdings Pty Ltd.	509	654
Guala Closures France SAS	328	582
Guala Closures do Brazil Ltda	346	569
Guala Closures de Colombia Ltda	266	508
Guala Closures South Africa Pty Ltd.	333	441
Guala Closures New Zealand Ltd.	292	419
Guala Closures Chile SpA	279	261
Guala Closures East Africa Ltd.	153	242
Guala Closures Bulgaria A.D.	135	201
Beijing Guala Closures Ltd.	141	154
Guala Closures Argentina S.A.	318	-
Total	**14,038**	**22,745**

b) recharging of **personnel expense**

(€'000)	2022	2023
Guala Closures (India) Pvt Ltd.	102	233
Labrenta S.r.l.	-	195
Beijing Guala Closures Ltd.	159	91
Guala Closures Mexico S.A. de C.V.	77	84
Guala Closures (Chengdu) Co. Ltd.	-	67
GCL International S.à r.l.	-	43
Total	**338**	**714**

c) recharging of **transport costs**

(€'000)	2022	2023
Guala Closures Mexico S.A. de C.V.	1,703	669
Guala Closures Deutschland GmbH	243	221
Guala Closures Chile SpA	111	125
Guala Closures Argentina S.A.	90	56
Guala Closures South Africa Pty Ltd.	51	46
Guala Closures New Zealand Ltd.	171	13
Guala Closures Australia Holdings Pty Ltd.	165	10
Beijing Guala Closures Ltd.	1	3
Guala Closures UK Ltd.	-	3
Guala Closures (Chengdu) Co. Ltd.	-	2
Guala Closures North America, Inc.	46	-
Guala Closures France SAS	13	-
Guala Closures (India) Pty Ltd.	1	-
Guala Closures Iberica S.A.	1	-
Total	**2,595**	**1,147**

d) **gains on the sale of assets**

(€'000)	2022	2023
Guala Closures Technologia Ukraine LLC	3	90
Guala Closures Iberica S.A.	40	63
Labrenta S.r.l.	-	17
Guala Closures Mexico S.A. de C.V.	1	5
Guala Closures de Colombia Ltda	-	3
Guala Closures Bulgaria A.D.	82	3
Guala Closures UCP Ltd.	-	1
Guala Closures UK Ltd.	-	1
Total	**125**	**183**

e) **royalties**

(€'000)	2022	2023
Guala Closures Mexico S.A. de C.V.	2,092	2,418
Guala Closures UK Ltd.	1,733	1,865
Guala Closures DGS Poland S.A.	1,597	1,215
Guala Closures (India) Pty Ltd.	1,426	1,272
Guala Closures Iberica S.A.	962	1,005
Guala Closures UCP Ltd.	1,051	900
Guala Closures Deutschland GmbH	929	835
Guala Closures North America, Inc.	894	867
Guala Closures Technologia Ukraine LLC	582	537
Guala Closures Australia Holdings Pty Ltd.	527	445
Guala Closures de Colombia Ltda	293	319
Guala Closures New Zealand Ltd.	359	319
Guala Closures France SAS	318	311
Guala Closures South Africa Pty Ltd.	282	265
Guala Closures East Africa Ltd.	199	189
Guala Closures Chile SpA	266	177
Guala Closures do Brazil Ltda	164	132
Guala Closures Bulgaria A.D.	155	111
Beijing Guala Closures Ltd.	95	74
Guala Closures Argentina S.A.	368	-
Total	**14,291**	**13,256**

f) **Commissions and other income**

(€'000)	2022	2023
Guala Closures Mexico S.A. de C.V.	400	907
Guala Closures Iberica S.A.	516	653
Guala Closures (India) Pty Ltd.	4	194
Guala Closures UK Ltd.	138	159
Labrenta S.r.l.	212	140
Guala Closures UCP Ltd.	87	134
Guala Closures South Africa Pty Ltd.	21	44
Guala Closures France SAS	56	32
Guala Closures Deutschland GmbH	51	29
Beijing Guala Closures Ltd.	5	11
GCL International S.à r.l.	220	10
Guala Closures Australia Holdings Pty Ltd.	-	9
Guala Closures Chile SpA	8	6
Guala Closures Bulgaria A.D.	27	6
Guala Closures (Chengdu) Co. Ltd.	-	4
Guala Closures Technologia Ukraine LLC	71	-
Guala Closures New Zealand Ltd.	1	-
Guala Closures de Colombia Ltda	2	-
Guala Closures North America, Inc.	5	-
Guala Closures DGS Poland S.A.	18	-
Total	**1,842**	**2,337**

g) recharging of **insurance costs**

(€'000)	2022	2023
Guala Closures Iberica S.A.	146	167
Guala Closures Deutschland GmbH	103	126
Guala Closures Mexico S.A. de C.V.	103	117
Guala Closures UK Ltd.	122	96
Guala Closures North America, Inc.	111	77
Guala Closures (India) Pty Ltd.	82	75
Guala Closures DGS Poland S.A.	65	65
Guala Closures UCP Ltd.	4	55
Guala Closures Argentina S.A.	11	33
Guala Closures Australia Holdings Pty Ltd.	24	18
Guala Closures France SAS	11	17
Guala Closures do Brazil Ltda	9	17
Labrenta S.r.l.	-	17
Guala Closures South Africa Pty Ltd.	13	11
Guala Closures New Zealand Ltd.	9	10
Guala Closures Chile SpA	10	9
Guala Closures de Colombia Ltda	9	9
Beijing Guala Closures Ltd.	12	8
Guala Closures East Africa Ltd.	2	8
Guala Closures Bulgaria A.D.	2	6
Guala Closures Turkey A.S.	4	1
GCL International S.à r.l.	1	1
Total	**853**	**943**

h) **technical assistance**

(€'000)	2022	2023
Guala Closures Mexico S.A. de C.V.	-	665
Guala Closures UK Ltd.	-	608
Guala Closures Iberica S.A.	12	8
Total	**12**	**1,281**

(6) Internal work capitalised

This caption amounts to **€4,343 thousand** in 2023, of this amount, **€1,982 thousand** mainly relates to development expenditure capitalised for new closures, but also for Sap4Us project, **€1,480 thousand** to work on plant and machinery for extraordinary maintenance and the upgrading of the production capacity of Guala Closures S.p.A., and **€881 thousand** to work on plant and machinery for extraordinary maintenance and the upgrading of the production capacity of foreign subsidiaries subsequently reinvoiced to foreign companies.

(7) Costs for raw materials

Costs for raw materials - third parties include:

(€'000)	2022	2023
Raw materials and supplies	128,715	83,887
Packaging	3,257	2,587
Consumables and maintenance	2,953	2,187
Fuels	265	266
Change in inventories	(6,261)	2,778
Total	**128,928**	**91,705**

The **cost of raw materials purchased from third parties** decreased from €128,928 thousand in 2022 to **€91,705 thousand** in 2023 as did its percentage impact on production revenue. This decrease is mainly due to lower aluminium purchases linked to the lower demand for semi-finished products and lithographed sheets for the related companies and to the smaller volumes of produced and sold closures compared to previous year.

The **costs for raw materials purchased from subsidiaries** in 2023 amounts to **€17,816 thousand.** These make up **16.3%** of total costs for raw materials and mainly relate to purchases from Guala Closures Technologia Ukraine LLC (€13,447 thousand), Guala Closures DGS Poland S.A,. (€1,972 thousand), Guala Closures Iberica S.A. (€1,371 thousand), Guala Closures Bulgaria A.D. (€493 thousand), Guala Closures Deutschland GmbH (€491 thousand), Labrenta S.r.l. (€33 thousand), Guala Closures UK Ltd. (€7 thousand), Guala Closures France SAS (€2 thousand), and Guala Closures Mexico S.A. de C.V. (€2 thousand). The transactions are part of ordinary operations and are agreed on an arm's length basis.

(8) Costs for services

Costs for services - third parties include:

(€'000)	2022	2023
Electricity / Heating	10,064	7,788
Transport	7,335	5,481
Legal and consulting fees	5,231	5,457
Maintenance	3,505	4,127
Technical assistance	1,580	3,391
Insurance	2,017	2,166
Travel	1,364	1,714
External processing	1,839	1,182
Commissions	454	579
External labor / porterage	592	512
Administrative services	566	442
Advertising	697	418
Other	277	337
Cleaning service	344	329
Entertainment expenses	195	273
Sundry industrial services	1,677	270
Membership fees	208	227
Telephone costs	225	222
Patents	295	213
Expos and trade fairs	112	182
Training costs	165	173
Security	47	74
Total	**38,791**	**35,555**

Costs for services decreased from €38,791 thousand in 2022 to **€35,555 thousand** in 2023, mainly thanks to saving related to transport costs, industrial services and energy costs.

The saving in energy costs is mainly due to lower production.

Technical assistance in 2023 includes €1,283 thousand relates to the costs of SAP implementation (Sap4Us project) not capitalized partially offsets by ICO recharge to the subsidiaries in UK and Mexico for €1,271 thousand to lower internal work capitalised.

Costs for services provided by subsidiaries in 2023 amount to **€4,787 thousand.** They mainly relate to commission paid to Guala Closures North America, Inc. (€789 thousand), and Guala Closures Turkey A.S. (€248 thousand), transport costs paid to Guala Closures UK Ltd. (€574 thousand), external production services paid to Guala Closures France S.A. (€ 118 thousand), and consultancy fees paid to Guala Closures Iberica S.A. (€101 thousand). The transactions are part of ordinary operations and are agreed on an arm's length basis.

(9) Personnel expense

This caption includes:

(€'000)	**2022**	**2023**
Wages and salaries	23,271	25,513
Social security contributions	7,071	7,673
Net expense from defined benefit plans	1,644	1,519
Other costs	2,382	9,676
Total	**34,368**	**44,381**

The salary increased from €34,368 thousand in 2022 to **€44,381 thousand** in 2023. The increase is mainly due to the MIP (Management Incentive Plan) for €7.7 million and the incentive plan for voluntary resignation for €3.1 million.

Reference should be made to note 40) Employee benefits for details on the expense for defined benefit plans.

At December 31, 2023, the Company had the following number of employees:

Number	**December 31, 2022**	**December 31, 2023**
Blue collars	274	279
White collars	117	119
Managers	71	70
Total	**462**	**468**

The average number of employees in 2023 was 472 (462 in 2022), including 71 managers, 121 white collars and 280 blue collars.

(10) Other operating expense

This caption includes:

(€'000)	**2022**	**2023**
Accruals to provisions	742	1,649
Other costs for the use of third-party assets	559	620
Taxes and duties	445	423
Rent and leases	215	455
Other charges	29	44
Total	**1,990**	**3,191**

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 as "Other costs for the use of third-party assets" on a straight-line basis over the lease term.

In 2023, **Use of third-party assets** includes approximately €527 thousand related to short-term contracts (less than one year) or low-value contracts (less than €5 thousand).

The caption **'Rent and leases'** of 2023 of €455 thousand mainly refers to the higher expenses incurred for the temporary storage of goods relating to the Spinetta plant.

(11) Financial income

Financial income - third parties includes:

(€'000)	2022	2023
Exchange gains	1,527	1,356
Interest income	5	537
Total	**1,532**	**1,894**

Financial income - subsidiaries amounts to €20,284 thousand in 2023.

Of this amount, 93.7% relates to interest accrued on the loans granted to Group companies and the default interest charged on some of them, Specifically, interest income was charged to Guala Closures International B.V. (€17,720 thousand), Guala Closures UCP Ltd. (€591 thousand), Guala Closures Chile SpA (€500 thousand), Guala Closures Argentina S.A. (€144 thousand), Guala Closures East Africa Pty Ltd. (€307 thousand) and Guala Closures UK Ltd. (€124 thousand).

Default interest was charged to Guala Closures UCP Ltd. (€508 thousand), Guala Closures Chile SpA (€173 thousand), Guala Closures Argentina S.A. (€115 thousand), Guala Closures South Africa Pty Ltd. (€90 thousand), Guala Closures UK Ltd. (€10 thousand), and Guala Closures do Brasil Ltda (€2 thousand).

(12) Financial expense

Financial expense includes:

(€'000)	2022	2023
Interest expense	19,028	25,674
Exchange losses	3,395	1,209
Other financial expense	810	1,271
Total	**23,233**	**28,154**

In 2023 Financial expense increase was due both to a raise in interest linked to the new Bond Senior Secured Notes due in 2029 issued and to the impact of interests on liabilities vs Cortapedra S.r.l. for Labrenta S.r.l. acquisition.

(13) Income from equity investments

At December 31, 2023, there were no **dividends** received from Guala Closures International B.V..

(14) Income and expense on financial assets/liabilities

The following table shows income – third parties – and expense on financial assets/liabilities, specifying those recognised in profit or loss and those directly included in other comprehensive income:

(€'000)	2022	2023
Recognized in profit or loss		
Bank interest income	5	537
Exchange gains	1,527	1,356
Total financial income	**1,532**	**1,894**
Interest expense on financial liabilities measured at amortized cost	(19,028)	(25,674)
Exchange losses	(3,395)	(1,209)
Other financial expense	(810)	(1,271)
Total financial expense	**(23,233)**	**(28,154)**
Net financial expense	**(21,700)**	**(26,260)**
Recognized directly in equity		
Effective portion of fair value losses on cash flow hedges	(10)	(6,806)
Net change in fair value of cash flow hedges reclassified to profit or loss	(58)	(58)
Tax on items that will or may be reclassified subsequently to P&L	20	(1,652)
Total recognized directly in equity	**(48)**	**(8,517)**

(15) Income taxes

This caption includes:

(€'000)	2022	2023
Current taxes	1,455	(5,791)
Deferred tax assets	22,485	2,532
Total	**23,940**	**(3,259)**

Income taxes decreased from an income of €23,940 thousand in 2022 to a cost of **€3,259 thousand** in 2023, mainly due to higher income taxes accompanied by a decrease, in comparison with previous year, of the positive impact coming from deferred tax assets.

Reconciliation between the theoretical and effective tax charge

The difference between the theoretical and effective tax charge is mainly related to non-taxable revenue and non-deductible costs.

(€'000)	2022	2023
Profit before taxation	**7,901**	**16,792**
Income tax using the Company's domestic tax rate ***(2022: 24%; 2023 24%)***	**(1,896)**	**(4,030)**
Non-deductible expenses	(4,405)	(9,426)
Tax exempt income	7,600	-
Tax incentives	3,864	10,768
Recognition of previously unrecognised tax losses	21,241	2,532
Total increase	**28,299**	**3,873**
Effective tax	**26,403**	**(157)**
IRAP	(820)	(2,149)
Other taxes, other than income taxes	(1,643)	(954)
Total taxes for the year	**23,940**	**(3,259)**

Income taxes varied from an income of €23.9 million in 2022 to a cost of €3.2 million in 2023, mainly due to the fact that in 2022, there was the positive effect of the adjustment of deferred tax assets on tax losses of €137.8 million for an income for €33.1 million. In addition, in 2023 a higher taxable income, increased IRAP to €2.1 million.

The realignment for tax purposes of the differences between the tax and statutory amount resulting from the transition to the IFRS, as required by article 15, paragraphs 7 and 8, of the Legislative Decree 185 of November 29, 2008, converted into Law 2 January 28, 2009, should be noted as the previous tax losses that can be carried forward and those realised in the previous year did not make it convenient to release these differences by paying the substitute tax.

Other taxes refer to potential refunds of taxes paid abroad whose recovery is not certain on the basis of the company's expected taxable income.

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

In accordance with the disclosure requirements of IAS 12, the Group carried out an analysis - based on data as of 31 December 2023 - in order to identify the scope of application of the Pillar Two regulations, as well as the potential impacts deriving from the application of the regulations in the various countries in which it operates, taking into account the "*Transitional Safe Harbours*" ("TSH").

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

The above considerations are based on a forward-looking assessment of the tax liability, determined in light of currently available data and information and on the basis of a simplified approach. A precise estimate of the tax burden by jurisdiction will only be possible once the data for the financial year 2024 are available.

Finally, it should be noted that, in accordance with IAS 12, the Company has not recognised any effect for deferred taxation purposes resulting from the entry into force of the Pillar Two rules as of 1 January 2024.

Statement of financial position

(16) Cash and cash equivalents

This caption represents the balance of the bank and postal deposits considering the nominal amount of the current accounts held with banks.

(€'000)	December 31, 2022	December 31, 2023
Bank and postal accounts	20,039	79,878
Cash on hand	12	10
Total	**20,051**	**79,888**

Cash and cash equivalent increased by €59,836 thousand from €20,051 thousand at December 31, 2022 to €79,888 thousand at December 31, 2023, due to the positive contribution of cash flow from operating activities for €19,518 thousand, from financing activities for €60,027 thousand and from Foreign Exchange impact for € 147 thousand, reduced by expenses for investing activities for €19,856 thousand.

(17) Current and non-current financial assets

These captions relate to transactions between Guala Closures S.p.A. and its subsidiaries at December 31, 2023 **(€295,888 thousand)** and financial assets - third parties **(€637 thousand),**

This note provides information on the contractual terms regulating the loan agreements between Guala Closures S.p.A. and its subsidiaries.

At December 31, 2023:

1. **Current financial assets amounted to €9,452 thousand**
2. **Non-current financial assets amounted to €286,436 thousand of which**

   a) € 283,092 thousand to loans between Guala Closures S.p.A. and subsidiaries (see the table below);

   b) € 3,343 thousand to loan asset between Guala Closures S.p.A. and Guala Closures East Africa Ltd.;

(€'000)

Beneficiary	Contract date	Contract execution date	Contract expiry date	Original amount	Outstanding amount at December 31, 2023	Outstanding amount at December 31, 2023 Short term	Outstanding amount at December 31, 2023 Long term	Interest rate
Guala Closures International B.V.	26/06/2020	30/06/2020	31/12/2025	€ 250,000	€ 211,338	-	€ 211,338	Euribor 3M + 4.0%
Guala Closures International B.V.	05/12/2018	06/12/2018	31/12/2025	£ 19,000	£ 12,771	-	€ 14,695	Libor GBP 3M + 4.0%
Guala Closures International B.V.	27/10/2023	27/10/2023	31/12/2033	€ 18,000	€ 12,264	-	€ 12,264	Euribor 3M + 4.32%
Guala Closures Argentina SA	26/06/2020	30/06/2020	31/12/2025	€ 2,000	€ 2,000	-	€ 2,000	Euribor 3M + 4.0%
Guala Closures Chile S.P.A.	15/12/2021	15/12/2021	31/12/2025	€ 8,000	£ 6,950	-	€ 6,950	4.0%
Guala Closures East Africa Ltd.	15/12/2021	15/12/2021	31/12/2025	€ 2,000	£ 1,900	-	€ 1,900	Euribor 3M + 4.0%
Guala Closures UCP Ltd.	26/06/2020	30/06/2020	31/12/2025	£ 8,000	£ 5,500	-	€ 6,329	Libor GBP 3M + 4.0%
Guala Closures UCP Ltd.	15/11/2023	15/11/2023	15/11/2028	£ 9,000	£ 9,000	-	€ 10,356	Libor GBP 3M + 3.97%
Guala Closures UK Ltd.	15/11/2023	15/11/2023	15/11/2028	£ 17,000	£ 15,000	-	€ 17,260	Libor GBP 3M + 3.96%
Labrenta S.r.l.	n.a.	n.a.	31/12/2024	€ 2,061	€ 2,061	€ 2,061	-	n.a.
Total						**€ 2,061**	**€ 283,092**	

The table shows the notional amount of the loans granted to subsidiaries. Furthermore, current financial assets include the **interest accrued** on said loans **(€6,798 thousand)** at December 31, 2023.

The loan assets from Guala Closures East Africa Ltd. include lease assets recognised in accordance with IFRS 16 under current financial assets **(€592 thousand).**

Current and non-current financial assets - subsidiaries at December 31, 2023 may be analysed as follows:

		Nominal amount	
(€'000)	**Total 31/12/2023**	**Current financial assets**	**Non-current financial assets**
Loan assets from:			
Guala Closures East Africa Ltd.	5,909	667	5,242
Guala Closures International B.V.	243,279	4,980	238,298
Guala Closures Chile SpA	7,927	977	6,950
Guala Closures Argentina S.A.	2,458	458	2,000
Guala Closures UCP Ltd.	16,870	185	16,685
Guala Closures UK Ltd.	17,384	124	17,260
Labrenta S.r.l.	2,061	2,061	-
Total	**295,888**	**9,452**	**286,436**

Non-current financial assets - third parties, of **€637 thousand,** mainly comprise guarantee deposits. The carrying amount of non-current financial assets - third parties matches their fair value at the reporting date.

(18) Trade receivables

This caption may be analysed as follows: **€12,025 thousand from third parties** and **€44,546 thousand from related parties.**

(€'000)	**December 31, 2022**	**December 31, 2023**
Trade receivables	15,766	12,981
Loss allowance	(841)	(956)
Total	**14,925**	**12,025**

The loss allowance changed as follows:

(€'000)	**December 31, 2023**
Opening balance	841
Accrual of the year	115
Release of the year	-
Closing balance	**956**

At December 31, 2023, the loss allowance mainly related to amounts past due by more than 90 days and concerned only a few foreign customers.

The residual amount relates to customers who expressed their uncertainty about their ability to repay the outstanding balances, mainly as a result of financial difficulties.

At December 31, 2023, trade receivables - related parties were entirely comprised of transactions with subsidiaries.

These may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Trade receivables – subsidiaries	46,445	45,871
Loss allowance	(1,325)	(1,325)
Total	**45,120**	**44,546**

The loss allowance changed as follows:

(€'000)	December 31, 2023
Opening balance	1,325
Accrual of the year	-
Release of the year	-
Closing balance	**1,325**

As at 31 December 2023, the loss allowance refers to amounts past due by more one year and exclusively concerns Guala Closures Argentina S.A.. Local regulations provided some restrictions for payments of service agreement and royalties charged to the local branch that requires to accrue a dedicated provision.
Trade receivables - subsidiaries may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Guala Closures UCP Ltd.	15,191	10,041
Guala Closures Mexico S.A. de C.V.	5,733	3,673
Guala Closures UK Ltd.	4,008	3,172
Guala Closures Iberica S.A.	3,663	3,158
Guala Closures Chile SpA	3,619	4,875
Guala Closures Deutschland GmbH	2,341	3,360
Guala Closures Ukraine LLC	2,749	4,321
Guala Closures South Africa Pty Ltd.	1,345	2,766
Guala Closures North America, Inc.	1,329	1,220
Guala Closures Argentina S.A.	1,097	1,723
Guala Closures (India) Pvt Ltd.	840	1,588
Guala Closures DGS Poland S.A.	727	1,173
Guala Closures (Chengdu) Co. Ltd.	-	548
Guala Closures New Zealand Ltd.	470	364
Beijing Guala Closures Ltd.	467	99
Guala Closures France SAS	304	483
Guala Closures Australia Pty Ltd.	247	423
Guala Closures do Brasil Ltda	231	400
Guala Closures Bulgaria A.D.	228	117
Labrenta S.r.l.	213	440
Guala Closures East Africa Ltd.	180	182
Guala Closures de Colombia Ltda	135	411
Guala Closures Holding International B.V.	-	10
GCL International S.à r.l.	2	1
Total	**45,120**	**44,546**

Intragroup trade receivables are part of ordinary transactions agreed at market conditions.

(19) Inventories

This caption may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Raw materials, consumables and supplies	16,808	14,624
(Allowance for inventory write-down)	(2,697)	(3,290)
Work in progress and semi-finished products	11,575	9,279
(Allowance for inventory write-down)	(1,494)	(1,424)
Finished products and goods	6,668	4,888
(Allowance for inventory write-down)	(730)	(671)
Payments On Account	9	7
Total	**30,139**	**23,412**

Changes in this caption are as follows:

(€'000)	
January 1, 2023	30,139
Change in raw materials, consumables and supplies	(2,778)
Change in finished goods and semi-finished products	(3,948)
December 31, 2023	**23,412**

The allowance for inventory write-down changed as follows:

(€'000)	December 31, 2023
Opening balance	4,920
Accrual of the year	2,718
Utilisations	(2,253)
Total	**5,385**

The increase in the allowance for inventory write-down is mainly due to the increment of the volume of the inventories not moved from more than a year.

(20) Current direct tax assets

Current direct tax assets of **€3,578 thousand** at December 31, 2023 may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
IRES to be offset during the year/other	2,859	3,578
Total	**2,859**	**3,578**

At December 31, 2023, the IRES (corporate income tax) asset amounts to €1,553 thousand resulting from the WHT paid abroad on royalties, €841 thousand for the IRAP down payment, €799 thousand resulting from measures to encourage investments and €382 thousand for ACE.

(21) Current indirect tax assets

Current indirect tax assets of **€1,273 thousand** at December 31, 2023 relate to VAT.

(22) Derivative assets

At December 31, 2023, there were no financial assets related to aluminium derivatives held for trading.

(23) Other current assets

Third parties may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Amounts due from employees	11	6
INAIL (Italy's institute for insurance against accidents at work)	17	1
Other	592	11,041
Total	**620**	**11,048**

Other includes the €10,685 thousand related to the credit for the insurance reimbursement for the damage to Magenta plant and remaining €356 thousand are guarantees.

Related parties may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Guala East Africa Ltd. Capex	924	1,039
Guala Closures UK Ltd. Capex	160	814
Guala Closures Mexico S.A. de C.V. Capex	150	869
Guala Closures UCP Ltd. Capex	26	116
Labrenta S.r.I. Capex	-	86
Guala Closures (India) Pvt Ltd. Capex	42	54
Guala Closures South Africa Pty Ltd. Capex	10	29
Guala Closures Iberica, S.A. Capex	63	29
Guala Closures Chengdu Capex	-	29
Guala Closures Chile SpA Capex	5	22
Guala Closures Ucraine Capex	-	15
Guala Closures Argentina S.A. Capex	5	6
Guala Closures North America Capex	46	1
Guala Closures de Colombia Ltda Capex	1	1
Guala Closures Australia Pty Ltd. Capex	-	1
GCL International S.à r.l. Capex	1	-
Guala Closures Do Brasil Ltda Capex	15	-
Guala Closures New Zealand Ltd. Capex	3	-
Guala Closures Bulgaria A.D. Capex	118	-
Total	**1,568**	**3,111**

(24) Assets classified as held for sale

Assets classified as held for sale refer specifically to assets to be sold. At December 31, 2023 the value was **€0.**

(25) Equity investments

Equity investments amount to **€701,145 thousand.**

a) Investments in subsidiaries

Investments in direct subsidiaries may be analysed as follows:

	December 31, 2022		December 31, 2023	
(€'000)	Carrying amount	Equity	Carrying amout	Equity
Guala Closures International B.V.	657,885	314,672	657,885	319,477
Labrenta S.r.l.	49,377	49,220	43,115	41,804
Total investment	**707,263**	**363,892**	**701,000**	**361,281**

Equity of Guala Closures International B.V. refers to the consolidated equity of Guala Closures International at December 31, 2023. Impairment test has been performed at consolidated level. Refer to the related section in the Consolidated Financial statements.

The decrease in the equity carrying amount of Labrenta S.r.l. at the end of year 2023 refers to the reduction in the consideration to the previous shareholder of Labrenta S.r.l. following the settlement agreement signed on June 29, 2023 (€6.3 million).

b) Investments in other companies

The company holds an investment of €11 thousand in Consorzio per la promozione della cultura plastica (PROPLAST), with registered office in Tortona.

It also holds an investment of €121 thousand in Wallfarm S.r.l. with registered office in Rome, and an investment of €2 thousand, or 20%, in IACOMEC S.r.l., with registered office in Latina.

The total carrying amount of the three investments is €134 thousand, Other investments amount to €10 thousand and may be analysed as follows:

(€'000)	Conai Consortium	Replastic Consortium	Idroenergia Scrl	Other	Total
January 1, 2023	5	2	1	3	**10**
December 31, 2023	5	2	1	3	**10**

(26) Property, plant and equipment

The following table shows the changes in this caption:

(€'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, 2022	20,122	45,261	17,028	585	5,572	**88,568**
Accumulated depreciation at December 31, 2022	(3,183)	(19,893)	(7,573)	(301)	-	**(30,950)**
Carrying amount at December 31, 2022	**16,939**	**25,368**	**9,455**	**284**	**5,572**	**57,618**
Carrying amount at January 1, 2023	**16,939**	**25,368**	**9,455**	**284**	**5,572**	**57,618**
Increases	-	-	-	-	14,063	**14,063**
Decreases	-	(971)	(286)	(2)	(1,394)	**(2,654)**
Decreases in allowances	-	821	183	2	-	**1,006**
Reclassifications	-	8,494	1,677	134	(10,310)	**(5)**
Depreciation	(726)	(3,574)	(1,344)	(118)	-	**(5,761)**
Historical cost at December 31, 2023	20,122	52,784	18,419	717	7,931	**99,973**
Accumulated depreciation at December 31, 2023	(3,909)	(22,645)	(8,734)	(418)	-	**(35,706)**
Carrying amount at December 31, 2023	**16,213**	**30,139**	**9,685**	**299**	**7,931**	**64,267**

In 2023, the main investments of the year were:

- in Alessandria, for the purchase of 31 plastic injection molding machines for molding department for €3,600 thousand, for the capacity increase of 30x60 closures (wine/spirit market) for €536 thousand, for the electro magneto forming line (EMF) for €800 thousand, but also for the extraordinary maintenance and completion of production machines of various departments;
- in Magenta, for revamping of the electrolytic cell €528 thousand, for extraordinary maintenance of line 20 for €837 thousand, but also for the installation of the new modernized coating line (V33) for €515 thousand;
- in Termoli, for the spring closure for the water market (28x15) and spirit market (1228/1229).

Property, plant and equipment include the amounts arising from internal work capitalized.

(27) Right-of-use assets

The following table gives a breakdown of this caption at December 31, 2023:

(€'000)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Historical cost at December 31, 2022	2,978	-	1,146	904	**5,028**
Accumulated depreciation at December 31, 2022	(1,078)	-	(557)	(472)	**(2,108)**
Carrying amount at December 31, 2022	**1,900**	**-**	**588**	**432**	**2,921**
Carrying amount at January 1, 2023	**1,900**	**-**	**588**	**432**	**2,921**
Increases	357	-	354	591	**1,302**
Decreases	(85)	-	(3)	-	**(88)**
Depreciation	(780)	-	(337)	(289)	**(1,406)**
Historical cost at December 31, 2023	3,020	-	1,271	1,309	**5,600**
Accumulated depreciation at December 31, 2023	(1,623)	-	(669)	(575)	**(2,866)**
Carrying amount at December 31, 2023	**1,397**	**-**	**603**	**734**	**2,734**

(28) Intangible assets

The following table shows the changes in this caption:

(€'000)	Development expenditure	Licences and patents	Goodwill	Other	Assets under development and payments on account	Total
Historical cost at December 31, 2022	4,039	87,953	48,968	30,560	1,697	**173,217**
Accumulated depreciation at December 31, 2022	(2,630)	(16,795)	-	(4,794)	-	**(24,218)**
Carrying amount at December 31, 2022	**1,409**	**71,158**	**48,968**	**25,766**	**1,697**	**148,999**
Increases	-	-	-	-	9,556	**9,556**
Decreases	-	-	-	-	(2,990)	**(2,990)**
Write-downs	0	0	-	-	(34)	(34)
Reclassification	76	3,630	-	-	(3,706)	-
Amortisation	(561)	(2,319)	-	(920)	-	**(3,800)**
Historical cost at December 31, 2023	4,115	91,583	48,968	30,560	4,523	**179,749**
Accumulated amortisation at December 31, 2023	(3,191)	(19,114)	-	(5,714)	-	**(28,019)**
Carrying amount at December 31, 2023	**924**	**72,469**	**48,968**	**24,846**	**4,523**	**151,730**

In 2023 intangible assets increased by €9,556 thousand mainly due to the costs of SAP (Sap4Us project) implementation for €3,254 thousand, but also for the assignment of patents and trademarks from GCL International S.à r.l. for €3,185 thousand.

During the year, there were development costs for new closures for €1,142 thousand.

(29) Impairment losses

As described in note 3) Accounting policies, goodwill is not amortised, but is tested for impairment. The Company checks the recoverability of goodwill at least once a year, or more frequently if specific events or circumstances indicate impairment.

The impairment test on the separate financial statements of Guala Closures S.p.A. was carried out on:

1 the net invested capital of Guala Closures S.p.A., by comparing:

- Carrying amount: net invested capital including goodwill, though net of the carrying amount of investments in subsidiaries recognised in the separate financial statements of Guala Closures S.p.A. at the date the test was carried out, allocated to the only CGU identified;

- Recoverable amount: the recoverable amount of the CGU, arising from the application of the discounted cash flow model to Guala Closures S.p.A.'s expected cash flows (Enterprise Value), excluding expected dividends;

2 investments in subsidiaries, including the investment in Guala Closures International B.V., by comparing:

- Carrying amount: the carrying amount of each investment recognised in the separate financial statements of Guala Closures S.p.A.;
- Recoverable amount: the recoverable amount arising from the application of the discounted cash flow model to the companies' expected cash flows, calculated as equity value, and considered to the extent of the investment percentage.

3 The Guala Closures trademark by comparing:

- Carrying amount: the carrying amount of the Guala Closure trademark recognised in the separate financial statements of Guala Closures S.p.A.;
- Recoverable amount: the recoverable amount arising from the application of the relief from royalty method to the company's expected cash flows (Fair Value).

Under IAS 36, impairment tests are carried out on the investments whose carrying amount exceeds equity (considering the investment percentage).

Impairment test on the Italy CGU

Goodwill allocated to the Italy CGU was successfully tested for impairment at the reporting date. Consequently, no impairment loss was recognised on goodwill at December 31, 2023. Goodwill has never been impaired.

The recoverability of the recognised amounts is tested by comparing the net invested capital (carrying amount) of the CGU with the related recoverable amount. The recoverable amount of goodwill is equal to value in use, i.e. the present value of the operating cash flows which arise from the forecasts included in the Company's approved business plan for the four years (2024-2027) (**"the projections**"), and the normalised terminal value, used to express a summary estimate of future figures over the explicit given timeframe. These cash flows are subsequently discounted using a discount rate that reflects current market assessments of the time value of money and the risks specific to the company asset or CGU.

The discounted cash flow model is based on the Projections approved by the board of directors on September 27, 2023 which envisages a CAGR of net revenue and EBITDA of 5% and 10%, respectively. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make. Such growth rate is consistent with the inflation expected in the countries in which the Group operates weighted by revenue for the geographical segment.

In the 2023 valuation, the following assumptions were used:

- the WACC for the Closures division was weighted by the net revenue percentage by destination market of each country in respect of the consolidated net revenue, with a weighted average of 9.43%;
- long-term growth rate "g": a value of 2.52% was used calculated by weighting the estimated inflation rate for each country (source Economist-December 2023) by the impact of net revenue by destination market on total net revenue, in line with the terminal value calculation.

The discount rate was a post-tax measure of the weighted cost of capital, calculated considering the target financial structure of the industry based on comparable listed companies, with a possible percentage of indebtedness of 34.77% and a market post-tax cost of debt of 4.16%.

The division's estimated recoverable amount exceeds the carrying amount by €131 million (2022: €117 million).

The estimates and projected figures to which the above parameters are applied are calculated by management based on past experience and the expected developments of the markets in which the group operates at the reporting date, To this end, the current international macro-economic situation and the possible economic-financial impacts, may result in uncertain scenarios in terms of achieving the objectives and levels of activity set out in the projections.

The Group has also carried out a sensitivity analysis of changes in the WACC and 'g' rates. Specifically, the WACC and the 'g' rates which, individually, would make the CGU's recoverable amount equal to its carrying amount at December 31, 2023 are 9.43% and 2.52%, respectively.

This sensitivity analyzes highlighted the Company's low vulnerability to the effects of the crisis in the medium term and resilience in the ability to generate income in the long term.

However, the estimate of goodwill's recoverable amount requires management's discretion and use of estimates, and, therefore, goodwill may be impaired in the future due to presently-unforeseeable changes in the scenario.

Group management constantly monitors the circumstances and events which may result in an additional impairment test.

Impairment test GC International

Guala Closures S.p.A.'s investments in subsidiaries are tested for impairment by comparing their carrying amount with the recoverable amount resulting from the impairment test ("equity value"), at least once a year. The recoverable amount of equity investments is calculated based on the value in use. In accordance with IAS 36, this value is the present value of expected cash flows.

The expected cash flows used to calculate the value in use of each investment are determined based on the projections approved by the board of directors on September 27, 2023.

Specifically, they were calculated starting from the projections assumptions and applying the growth rate identified for each company in line with the long-term assumptions related to sector growth rates and the country risks specific to each company.

Terminal value was calculated applying the perpetual growth method.

The discount rate (WACC) is the weighted average of the cost of risk capital and the cost of financial debt considering the tax effect generated by financial leverage.

The main basic assumptions used in carrying out the impairment test on equity investments, as commented later on, are shown in the table below:

IMPAIRMENT TEST EQUITY INVESTMENTS – ASSUMPTIONS TO DEFINE VALUE IN USE

Equity investment	Cost	Equity Value	WACC	G-Rate	Forecast horizon
Guala Closures International B.V.	658	1,269	11.19%	2.69%	4 years
Carrying amount at December 31, 2023	**658**	**1,269**			

The discounted cash flow model is based on the projections approved by the board of directors on September 27, 2023 which envisages a CAGR of net revenue and EBITDA around 6% and 12% respectively for consolidated of Guala Closures International B.V.. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make. Such growth rate is consistent with management's expectation of growth for each company.

The following assumptions were used in the 2023 valuation:

- the WACC for the CGU was calculated considering the impact of the sub-consolidated revenue and a weighted average WACC for the 2023 net revenue of each country in respect of total net revenue equal to 11.19%;

- long-term growth rate ‘g’: a value was used calculated by weighting the estimated inflation rate for each country by the impact of net revenue by destination market on total net revenue, in line with the terminal value calculation equal to 2.69%.

The discount rate was a post-tax measure of the weighted cost of capital, calculated considering the target financial structure of the industry based on comparable listed companies, with a possible percentage of indebtedness of 34.77% and a market post-tax cost of debt of 4.16%.

For Guala Closures International B.V. the estimated recoverable amount exceeds the carrying amount by approximately €611 million (2022: €268 million).

The estimates and projected figures to which the above parameters are applied are calculated by management based on past experience and the expected developments of the markets in which the companies that refer to the subsidiaries operates at the reporting date. To this end, the current international macro-economic situation and the possible financial impacts, may result in uncertain scenarios in terms of achieving the objectives and levels of activity set out in the projections.

Based on the above, management carried out a sensitivity analysis of changes in the WACC and ‘g’ rates. Specifically, a 50 bp increase in the ‘g’ rate would correspond to an increase in the recoverable value in use of approximately €22 million, while a decrease of 50 bp would result in a decrease of approximately €19 million. In any case, the carrying amount would be fully recoverable. With respect to the changes in WACC, a decrease of 50 bp would correspond to an increase in the recoverable value in use of approximately €26 million, while an increase of 50 bp would result in a decrease in the recoverable value in use of approximately €22 million, In any case, no impairment loss would be recognised.

Specifically, the WACC and the ‘g’ rates which, individually, would make the “CGU International” ’s recoverable amount equal to its carrying amount at December 31, 2023 are 13.86% and -3.36%, respectively.

This sensitivity analysis has highlighted the Company's low vulnerability to the effects of the crisis in the medium term and resilience in the ability to generate income in the long term.

Company management constantly monitors the circumstances and events which may result in an additional impairment test.

Impairment test GC Trademark

The intangibles assets were tested for impairment at reporting date adopting the Relief from Royalty (“RFR”) method and no impairment loss was recognised on the Guala Closures trademark as at December 31, 2023 with a fair value exceeding the carrying amount for an amount of approximately €59 million (2022: €70 million).

The royalty used for the calculation represents the rental charge, which would be paid to the licensor if this hypothetical arrangement were in place based suitable comparable transactions and prices involving third parties.

The following assumptions were used in the 2023 valuation:

- Trademark revenues are based on projections approved by the board of directors on September 27, 2023 which envisages a CAGR of net revenue and EBITDA of 5% and 10%, respectively;
- Royalty rate of 2% equal to that paid by the Group’s legal entities to Guala Closures S.p.A. and align with market comparable;
- The discount rate was calculated by adding a spread of 2% to the Group’s WACC used for the impairment test of goodwill, due to the higher inherent riskiness as intangible asset;
- Long-term growth rate “g” 2.6% was used calculated by weighting the estimated inflation rate for each country (source: The Economist-December 2023) by the impact of net revenue by destination market on total net revenue, in line with the terminal value calculation.

The Company has also carried out a sensitivity analysis of changes in the WACC and 'g' rates. Specifically, the WACC and the 'g' rates which, individually, would make the Guala trademark's recoverable amount equal to its carrying amount at December 31, 2023 are 21.73% and -13.97%, respectively.

In addition, an increase in the WACC of 0.5% would lead to a reduction in headroom of €5.6 million, while a reduction in the growth rate of 0.5% would lead to a reduction in headroom of €4 million.

(30) Deferred tax assets and liabilities

The following table gives a breakdown of this caption at December 31, 2023:

	Assets		Liabilities		Net Value	
(€'000)	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023
Agents' termination indemnity	29	29	-	-	29	29
Allowance for inventory write-down	1,181	1,293	-	-	1,181	1,293
Bad debt allowance	467	149	-	-	467	149
Provision for damages and penalties	528	619	-	-	528	619
Amortisation and depreciation	181	148	(37,738)	(36,727)	(37,557)	(36,579)
Other	1,407	3,214	(151)	(194)	1,256	3,020
Prior year tax losses	33,072	30,602			33,072	30,602
ACE deferred allocation		2,470				2,470
Leases	125	49			125	49
Employee benefits	-	-	(113)	(113)	(113)	(113)
Derivatives	-	1,632	-	-	-	1,632
Total	**36,989**	**40,205**	**(38,002)**	**(37,035)**	**(1,013)**	**3,171**

The rates applied to calculate deferred tax assets and liabilities are as follows:

IRES: 24% - IRAP: 5.57%.

The IRAP rate was adjusted to reflect the fact that Guala Closures S.p.A. is an industrial holding company and the related tax regime applicable as of the date of approval of the 2023 financial statements, due to the carrying amount of the investments, which, following the revaluation carried out through the PPA procedure of the business combination of the 2018 corporate reorganisation, exceeds 50% of the Company's assets.

It can be reasonably assumed that the year 2023 ended with a taxable income for IRES purposes of €18,862 thousand, however due to the use of previous losses carried forward, of the withholding tax and the use of tax credits for taxes paid abroad there will be no tax to be paid for IRES purposes.

It should be noted that the Company had losses that could be carried forward for a total of €142,200 thousand, which according to the prospective tax plan approved in the previous year, could have been recovered in the five-year period 2023/2027 for a total of €137,800 thousand (on which prepaid taxes were calculated).

It follows that, since the continuation of the plan to recover the losses carried forward may extend to the following financial year 2028, the amount of €127,507 thousand has been reduced by only €10,292 thousand, the loss that can be carried forward to new use in subsequent financial years in order to obtain the perfect coincidence with the amount of €127,507 thousand, equal to the total of the remaining usable previous losses, and enter the taxes advanced on €10,292 thousand of ACE deduction carried forward (equal to the amount of the taxable amount absorbed for losses), which can be reasonably assumed that it will be recovered in the next five years.

Deferred tax in 2023 balance sheet has been indicated as net amount (assets/liabilities) and, as consequence, 2022 has been restated.

(31) Other non-current assets

This caption of **€1,897 thousand** relates to sundry tax assets. Of this amount €1,068 thousand are related to transformation of ACE into an IRAP tax credit that can be used to offset IRAP in the next five years, while €829 thousand relates to the tax credit for new capital expenditures.

(32) Current and non-current financial liabilities

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

Reference should be made to note 44) Fair value of financial instruments and sensitivity analysis for further information on the Company's exposure to interest and currency risks.

"Bonds" refer to:

- 3¼% Senior Secured Notes maturing in 2028 (the "**2028 Notes**") of €500 million in aggregate principal amount issued under an indenture dated July 7, 2021 among, *inter alia*, Guala Closures, U,S, Bank Trustees Limited, as trustee and security agent, *mandatario con rappresentanza* and security representative (*rappresentante*) of the Holders of the Notes pursuant to article 2414-bis,3 of the Italian Civil Code (the "**2028 Notes Indenture**").
  The 2028 Notes bear fixed interest at a rate of 3¼% per annum, payable semi-annually in arrears on June 15 and December 15 of each year and will mature on June 15, 2028. The 2028 Notes Indenture contain key covenants based on incurrence tests that, among other things, limit the ability of Guala Closures and its restricted subsidiaries to incur or guarantee additional indebtedness and issue certain preferred stock, pay dividends, redeem capital stock and make certain investments, make certain other restricted payments, create or permit to exist certain liens, impose restrictions on the ability of its subsidiaries to pay dividends or make other payments, dispose of its assets, merge or consolidate with other entities, and impair the security interests for the benefit of the holders of the Notes. Each of these covenants is subject to a number of important limitations and exceptions.

- New Senior Secured Notes maturing in 2029 (the "**2029 Notes**") of €350 million in aggregate principal amount issued under an indenture among, inter alios, Guala Closures, U.S. Bank Trustees Limited, as trustee and security agent (the "**2029 Notes Indenture**"). The proceeds of the 2029 Notes have been used to fund a distribution to the shareholder of Guala Closures, the purchase price for the acquisition of Yibin Fengyi Packaging Co., Ltd. ("Fengyi") and cash on balance sheet for general corporate purposes (including to fund further bolt-on acquisitions), and to pay fees and expenses associated thereto.
  The 2029 Notes bear interest at a rate equal to three-month EURIBOR (subject to a 0% floor) plus 4.00% per annum, reset quarterly, payable quarterly in arrears on each of December 15, March 15, June 15 and September 15, beginning on December 15, 2023. In order to hedge its exposure to the 2029 Notes' floating interest rate, on October 13, 2023, Guala Closures S.p.A. entered into (i) an ISDA Master Agreement with each of Deutsche Bank AG and UniCredit S.p.A. (each, an "ISDA"), which are each in compliance with and secured by the Intercreditor agreement among the Company, U.S. Bank Global Corporate trust Limited as Original Super Senior Agent, U.S. Bank Trustees Limited as Security Agent, and others; and (ii) an Interest Rate Collar transaction referencing the full principal amount of the 2029 Notes in order to hedge the Company's exposure to the floating interest rate payable on the 2029 Notes.
  Guala Closures negotiated two different Zero Cost Collars derivates, both ending in October 2027, one for a notional of €175 million, tenor 4 years, cap 4%, floor 2.376% and one for a notional of €175 million, tenor 4 years, cap 4%, floor 2.380%.
  The 2029 Notes will mature on June 29, 2029. Prior to October 13, 2024, Guala Closures will be entitled, at its option, to redeem all or a portion of the 2029 Notes by paying a "make-whole" premium. At any time

on or after October 13, 2024, Guala Closures may redeem all or part of the 2029 Notes at par, plus accrued and unpaid interest thereon. The 2029 Notes Indenture contains the same key covenants based on incurrence tests included in the 2028 Notes Indenture.

Guala Closures has an available amount of €80 million (equivalent) multi-currency revolving credit facility (the "**2027 RCF**") governed by English law (with information undertakings, restrictive covenants, events of default and related definitions interpreted in accordance with New York law), entered into on June 28, 2021, by and between Guala Closures, as borrower, U,S, Bank Global Corporate Trust Limited, as the agent, and Deutsche Bank Aktiengesellschaft, Credit Suisse AG, Milan Branch, Goldman Sachs Bank Europe SE, Unicredit S.p.A. and Bank of America Designated Activity Company, as mandated lead arrangers, The 2027 RCF bears an interest rate applicable to drawn amounts equal to EURIBOR (for loans in Euro), SONIA (for loans in pounds sterling) and LIBOR (for loans in any other currency) (subject, in each case, to a floor of zero) + 2.0%. This margin decreased from the original rate of 2.5% to 1.75% based on the decreasing leverage-based margin ratchet set out in the 2027 RCF. The 2027 RCF will expire December 15, 2027. Furthermore, on August 8, 2022, Guala Closures subscribed an "Additional Facility Lender" to the "2027 RCF" with Cassa Depositi e Prestiti S.p.A. ("CDP") for an amount of €16 million. The expiry date of the additional facility is in line with the 2027 RCF bearing an interest rate applicable to drawn amounts equal to EURIBOR, LIBOR or a different parameter identified as the Compounded Reference Rate (2027 RCF + 2.5% p.a.), but based on the decreasing leverage-based margin ratchet set out in the 2027 RCF. The 2027 RCF margin decreased from the original rate of 2.5% to 1.75% based on the decreasing leverage-based margin.

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

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

Credit facilities at December 31, 2023 are shown below:

Credit facilities	Total amount (thousands of EUR)	Available amount (thousands of EUR)	Amount used at December 31, 2023	Residual available amount at December 31, 2023	Repayment date
Bonds Guala Closures S.p,.A,. - Senior Secured Notes due 2028	500,000	500,000	500,000	-	final repayment 06/15/2028
Bonds Guala Closures S.p.A. - Senior Secured Notes due 2029	350,000	350,000	350,000	-	final repayment 06/29/2029
Revolving Credit Facility due 2027	150,000	150,000	-	150,000	final repayment 12/15/2027
Total	**1,000,000**	**1,000,000**	**850,000**	**150,000**	

Reference should be made to note 47) Commitments and guarantees for information on the guarantees given.

Financial liabilities at December 31, 2022 and 2023 are shown below:

(€'000)	**December 31, 2022**	**December 31, 2023**
Bank overdrafts and current loans		
Bonds	677	1,889
Bank loans and borrowings	118	157
Other financial liabilities	1,618	4,516
	2,413	6,563
Non-current loans		
Bonds	487,197	827,079
Bank loans and borrowings	(1,323)	(1,954)
Other financial liabilities	21,349	12,520
	507,224	837,646
Total	**509,636**	**844,208**

Other financial liabilities includes current amounts of €3,720 thousand and € 10,337 thousand due after one year to Cortapedra S.r.l. for the acquisition of quotas of Labrenta S.r.l..

The terms and expiry dates of the financial liabilities at December 31, 2022 and 2023, included in the statement of financial position as required by IAS 31,1,65, are shown below:

					Nominal amount				
					Current	Non-current			
(€'000)	Currency	Nominal interest rate	Year of maturity	Total December 31, 2022	Within one year	Between one to five years	More than five years	Non-current
Bonds								
Bonds - Senior Secured Notes by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	-	500,000	500,000
Interest on bonds	€	n.a.	2022	677	677	-	-	-
Transaction costs	€	n.a.	2028	(12,803)	-	-	(12,803)	(12,803)
TOT, BOND SSN 2028 GUALA CLOSURES S.P.A.				**487,874**	**677**	**-**	**487,197**	**487,197**
Bank loans and borrowings:								
Senior Revolving Facility Guala Closures S.p.A.	€	Euribor 3M + 1.75%	2027	-	-	-	-	-
Transaction costs	€	n.a.	2027	(1,323)	-	-	(1,323)	(1,323)
TOTAL SENIOR REVOLVING CREDIT FACILITY - GUALA CLOSURES S.P.A.				**(1,323)**	**-**	**-**	**(1,323)**	**(1,323)**
Other accrued expenses Guala Closures S.p.A.	€	n.a.	2022	118	118	-	-	-
TOTAL bank loans and borrowings				**(1,205)**	**118**	**-**	**(1,323)**	**(1,323)**
Other financial liabilities:								
Leases (IFRS 16)	€	n.a.	n.a.	3,046	618	2,428	-	2,428
Other liabilities (to Cortapedra S.r.l.: Acquisition of Labrenta S.r.l.)	€	n.a.	n.a.	19,922	1,000	18,922	-	18,922
Total other financial liabilities				**22,967**	**1,618**	**21,349**	**-**	**21,349**
TOTAL				**509,636**	**2,413**	**21,349**	**485,874**	**507,224**

					Nominal amount			
					Current	Non-current		
(€'000)	Currency	Nominal interest rate	Year of maturity	Total December 31, 2023	Within one year	Between one to five years	More than five years	Non-current
Bonds								
Bonds - Senior Secured Notes by Guala Closures S.p.A.	€	3.25%	2028	500,000	-	500,000	-	500,000
Interest on bonds	€	n.a.		677	677	-	-	-
Transaction costs	€	n.a.	2028	(10,649)	-	(10,649)	-	(10,649)
TOT, BOND SSN 2028 GUALA CLOSURES S.P.A.				**490,028**	**677**	**489,351**	**-**	**489,351**
Bonds - Senior Secured Notes by Guala Closures S.p.A.	€	Euribor 3M+4%	2029	350,000			350,000	350,000
Interest on bonds	€	n.a.		1,212	1,212			-
Transaction costs	€	n.a.	2029	(12,272)			(12,272)	(12,272)
TOT. BOND SSN 2029 GUALA CLOSURES S.P.A.				**338,940**	**1,212**		**337,728**	**337,728**
Bank loans and borrowings:								
Senior Revolving Facility Guala Closures S.p.A.	€	Euribor 3M + 1.75%	2027	-	-	-	-	-
Transaction costs	€	n.a.	2027	(1,954)	-	(1,954)	-	(1,954)
TOTAL SENIOR REVOLVING CREDIT FACILITY - GUALA CLOSURES S.P.A.				**(1,954)**	**-**	**(1,954)**	**-**	**(1,954)**
Other accrued expenses Guala Closures S.p.A.	€	n.a.	2023	157	157	-	-	-
TOTAL bank loans and borrowings				**(1,796)**	**157**	**(1,954)**	**-**	**(1,954)**
Other financial liabilities:								
Leases (IFRS 16)	€	n.a.	n.a.	2,979	753	2,183	-	2,183
Other liabilities (to Cortapedra S.r.l.: Acquisition of Labrenta S.r.l.)	€	n.a.	n.a.	14,057	3,720	10,337	-	10,377
Others	€			42	42			
Total other financial liabilities				**17,036**	**4,516**	**12,520**	**-**	**12,520**
TOTAL				**844,208**	**6,562**	**499,918**	**337,728**	**837,646**

(33) Trade payables

Trade payables - third parties may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Suppliers	41,118	22,286
Payments on account	75	76
Total	**41,193**	**22,362**

Trade payables decrease from €41,193 thousand in 2022 to **€22,362 thousand** in 2023 mainly driven by sales trends.

At December 31, 2023, trade payables due to third parties may be analysed by geographical segment as follows:

(€'000)	December 31, 2022	December 31, 2023
Europe	37,559	22,042
Rest of the world	3,648	320
Total	**41,193**	**22,362**

At December 31, 2023, trade payables may be analysed by original currency as follows:

(€'000)	EUR	USD	GBP	Altre valute	Total
Trade payables - third parties	20,728	1,426	75	133	22,362

Payables to related parties are amounts due to subsidiaries and may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Guala Closures Technologia Ukraine LLC	7,907	4,067
GCL International S.à r.l.	866	793
Guala Closures Iberica S.A.	481	231
Guala Closures UCP Ltd.	17	154
Guala Closures North America, Inc.	480	147
Guala Closures DGS Poland S.A.	189	118
Guala Closures UK Ltd.	143	86
Guala Closures Bulgaria A.D.	209	71
Guala Closures (India) Pvt Ltd.	58	64
Guala Closures France SAS	101	57
Guala Closures Deutschland GmbH	37	57
Guala Closures Mexico S.A. de C.V.	17	41
Guala Closures Turkey A.S.	65	28
Guala Closures do Brasil Ltda	18	9
Guala Closures De Colombia Ltda	3	1
Labrenta S.r.l.	25	-
Beijing Guala Closures Ltd.	27	-
Guala Closures Australia Pty Ltd.	1	-
Total	**10,643**	**5,922**

At December 31, 2023, payables due to subsidiaries may be analysed by geographical segment as follows:

(€'000)	**December 31, 2022**	**December 31, 2023**
Europe	9,973	5,633
Rest of the World	480	147
Asia	150	92
Latin America	39	50
Oceania	1	-
Total	**10,643**	**5,922**

At December 31, 2023, receivables due from subsidiaries may be analysed by original currency as follows:

(€'000)	**EUR**	**USD**	**GBP**	**Other**	**Total**
Trade payables – subsidiaries	5,848	74	-	-	**5,922**

(34) Current direct tax liabilities

Current direct tax liabilities of **€2,329 thousand** at December 31, 2023 includes €2,149 thousand relate to IRAP (regional production tax) and €180 thousand relate to recapture Super ACE.

(€'000)	**December 31, 2022**	**December 31, 2023**
Current direct tax liabilities	820	2,329
Total	**820**	**2,329**

(35) Indirect tax liabilities

Current indirect tax liabilities of **€1,122 thousand** at December 31, 2023 relate to other indirect taxes.

The caption may be analysed as follows:

(€'000)	**December 31, 2022**	**December 31, 2023**
Withholdings	1,065	832
Conai contribution	78	50
Substitute tax on post-employment benefits	26	240
Total	**1,170**	**1,122**

(36) Provisions

This caption may be analysed as follows:

- *Current provisions*

(€'000)	December 31, 2022	December 31 2023
Provision for returns	1,739	2,045
Provision for tax risks	3	2
Total current provisions	**1,742**	**2,047**

The **provision for returns** reflects the best estimate of the risks for future charges for possible customer claims at the reporting date.

- *Non-current provisions*

(€'000)	December 31, 2022	December 31 2023
Provision for agents' termination indemnity	158	174
Provision for legal disputes	57	57
Total non-current provisions	**215**	**231**

Changes in the provisions are as follows:

- *Current provisions*

(€'000)	December 31, 2023
Opening current provisions	1,742
Allowance of the year	1,534
Utilization	(1,229)
Closing current provisions	**2,047**

- *Non-current provisions*

(€'000)	December 31, 2023
Opening non-current provisions	215
Allowance of the year	16
Utilization	-
Closing non-current provisions	**231**

(37) Derivative liabilities

At December 31, 2023, derivative liabilities refer for € 6,799 thousand to interest rate swaps used for hedging classified as non-current and to aluminium held for hedging for € 68 thousand classified as current.

Aluminium held for hedging is related to one contract with hedged quantity of 250 tons and a fair value of €68 thousand.

(38) Other current liabilities

The other current liabilities relate to third parties and related parties for a total amount of **€23,742 thousand** of which **€869 thousand** towards related parties.

Third parties may be analysed as follows:

(€'000)	December 31, 2022	December 31, 2023
Other Payables	3,778	6,105
Amounts due to employees	5,064	6,590
Non-recurring costs	366	4,143
Social security charges payable	2,916	3,266
Liabilities for capital expenditure	1,903	2,769
Total	**14,027**	**22,873**

At December 31, 2023 the increase of Other Liabilities is due to higher deferred income.

Non recurring costs increased from €366 thousand in 2022 to **€4,143 thousand** in 2023 mainly due to Bond transaction costs.

At December 31, 2023, other current liabilities to related parties refer to capital expenditure, specifically, €849 thousand to GCL International S.à r.l. and €20 thousand to Guala Closures Bulgaria A.D..

(39) Other non-current liabilities

At December 31, 2023, **Other non-current liabilities** of **€8,674 thousand** mainly due to the MIP (Management Incentive Plan) for €7,674 thousand and a debt to employees for €1,000 thousand.

(40) Employee benefits

At December 31, 2023, this caption refers to the post-employment benefits due to all Company employees should they leave the Company on that date.

The liability for post-employment benefits ("TFR" – Trattamento di fine rapporto) primarily relates to employee departures, determined using actuarial techniques and regulated by article 2120 of the Italian Civil Code. The benefit is paid when the employee leaves the Company as a lump sum, the amount of which corresponds to the total benefits accrued during the employees' service period based on payroll costs as revalued until their departure. Following the pension reform, from January 1, 2007, accruing benefits have been transferred to a pension fund or a treasury fund held by Italy's social security institution (INPS), Companies with less than 50 employees can continue the scheme as in previous years. Therefore, contributions of future TFR to pension funds or the INPS treasury fund entails that these amounts will be treated as a defined contribution plan. Amounts vested before January 1, 2007 continue to be accounted for as defined benefits to be assessed based on actuarial assumptions,

The related liability is determined using actuarial assumptions and is stated on an accruals basis in line with the service required to obtain such benefits. These appraisals are performed by independent actuaries.

Actuarial gains and losses deriving from actuarial calculations at the reporting date are recognised in OCI.

Changes in post-employment benefits and the main assumptions used in their measurement are detailed below:

(€'000)	December 31, 2023
Balance at January 1,	2,819
Change recognized in profit or loss - personnel expense	-
Change recognized in profit or loss - other (income)/expense	97
Change recognized in OCI	37
Benefits paid	(213)
Balance at December 31	**2,740**

Actuarial parameter baseline:

	December 31, 2023
Average inflation rate	2.94% p.a.
Discount rate	2.00% p.a.
Annual rate of increase in post-employment benefits	3.00% p.a.

For valuations at December 31, 2023, an annual fixed discount rate of 2.00% was used based on the value of Iboxx indexes AA corporate bonds 7 -10 year duration at the valuation date, as per the requirements of IAS 19.

The Company expects to pay around €0.3 million of benefits to its defined benefit plan in 2024.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming the other variables do not change, would have affected Guala Closures S.p.A.'s post-employment benefits at December 31, 2023 by the amounts shown below:

	Defined benefit obligation	
	Increase	Decrease
Turnover rate (1% movement)	4	(4)
Average inflation rate (0.25% movement)	26	(26)
Discount rate (0.25% movement)	(41)	42

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(41) Equity

The paid-up and subscribed share capital of Guala Closures S.p.A. at December 31, 2023 remained unchanged compared to December 31, 2022 and amounts to €68,907 thousand consisting of 70,028,654 ordinary shares.

The ordinary shareholders' meeting hold on September 27, 2023 resolved:

- the allocation of €9,879 thousand from the extraordinary reserve to the legal reserve, with the consequence that the legal reserve increased from €3,902 thousand to a total amount of €13,781 thousand which is equal to one fifth of the share capital of the Company pursuant to articles 2430 and 2431 of the Civil Code (Codice Civile). This operation has permitted the distributability of the share premium reserve pursuant to art. 2431 of the Civil Code (codice civile);

- the allocation of €8,660 thousand of the extraordinary reserve to cover an equal amount of the losses carried forward resulting from the financial statements at December 31, 2022.

The ordinary shareholders' meeting of September 29, 2023 resolved the distribution of a total dividend of €250 million through the use of the following equity reserves:

✓ the extraordinary reserve, having the nature of a profit reserve, for a total of €55,070 thousand;
✓ the merger reserve, having the nature of a capital reserve, for a total of €159,434 thousand;
✓ the share premium reserve, having the nature of a capital reserve, for a total of €35,496 thousand.

The Company seeks to maintain a sufficient level of capitalisation, while giving shareholders satisfactory returns and ensuring the Group has access to external sources of financing at acceptable terms, including the maintaining of an adequate rating.

The Company 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.

More information is available in the director's report section 2.1).

Restrictions to the distribution of equity reserves at December 31, 2023 are set out below:

(€'000)	Total amount	Available amout	Unavailable amount		*Restriction*
Share capital	68,907		68,907		*Share*
Premium reserve	388,341	387,417	924	(1)	*Equity-related reserve*
Legal reserve	13,781		13,781		*Income-related reserve*
Other reserves	687	155	532	(2)	*Equity-related reserve*
Hedging reserve	(5,215)		(5,215)		*Income-related reserve*
Losses carried forward	72		72		*Income-related reserve*
Profit for the year	13,533	13,370	163	(3)	*Profit for the year*
Total	**480,106**	**400,941**	**79,164**		

(1) €924 thousands of the Share Premium Reserve is not distributable compared to the residual value of the development costs to be amortized at 31 December 2023;

(2) €532 thousands of the Other reserves non-distributable refers to the unrealized foreign-exchange surplus reserve.

(3) €163 thousands of the Profit for the year cannot be distributed in relation to the allocation to the reserve from exchange gains pursuant art.2426 c.1, n.8-bis, Civil Code.

(42) Repurchase of own shares

No repurchases had taken place at the reporting date.

(43) Notes to the statement of cash flows

The following is a reconciliation of liabilities arising from financing activities for the year ended December 31, 2023:

(€'000)	
Total liabilities at January 1, 2023	**508,660**
Derivative and similar net assets at January 1, 2023	976
Total liabilities from financing activities at January 1, 2023	**509,636**
Cash effect (*)	
Proceeds from new borrowings and bonds	342,930
Repayment of borrowings	(17,733)
Repayment of finance leases	(1,214)
Interests paid	(21,552)
Payment of transaction costs from new borrowings and Revolving Credit Facility	(3,591)
Non- Cash effect	
Net fair value gains on market warrants	-
Interest and other financial expense	24,100
Net fair value losses on derivatives	(976)
Amortisation of transaction costs	2,845
Other liabilities (to Cortapedra S.r.l.: Acquisition of Labrenta S.r.l.)	6,263
Other changes	3,500
Total liabilities from financing activities at December 31, 2023	**844,208**
Derivative and similar net assets at December 31, 2023	-
Total liabilities at December 31, 2023	**844,208**

(*) In relation to the cash effect, reference should be made to the statement of cash flows,

Other information

(44) Fair value of financial instruments and sensitivity analysis

(a) Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, at December 31, 2022 and 2023. They do not include fair value information for financial assets and financial liabilities not measured at fair value as their carrying amount is a reasonable approximation of fair value. There were no movements from one level to another in 2023.

December 31, 2022		Carrying Amount					Fair value			
(€'000)	Note	Designated at FVTPL	Fair value - hedging instruments	Loans and receivables at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Aluminium derivatives held for trading	22		-			-		-		-
		-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value (*)										
Trade receivables - third parties	18			14,925		14,925				-
Trade receivables - related parties	18			45,120		45,120				-
Financial assets - related parties	17			270,990		270,990		268,181		268,181
Cash and cash equivalents	16			20,051		20,051				-
Financial assets - third parties	17			111		111				-
		-	-	**351,198**	-	351,198	-	**268,181**	-	268,181
Financial liabilities measured at fair value										
Market warrants	32	-				-			-	-
Aluminium derivatives used for trading	22	(976)				(976)		(976)		(976)
		(976)	-	-	-	(976)	-	**(976)**	-	(976)
Financial liabilities not measured at fair value (*)										
Secured bank loans	32				1,205	1,205		1,205		1,205
Secured bond issues	32				(487,874)	(487,874)		(430,274)		(430,274)
Lease liabilities (IFRS 16)	32				(3,046)	(3,046)				-
Other liabilities (vs Cortapedra srl : Acquisition Labrenta Srl)	32				(19,922)	(19,922)				
Trade payables - third parties	33				(41,193)	(41,193)				-
Trade payables - related parties	33				(10,643)	(10,643)				-
		-	-	-	**(561,473)**	(561,473)	-	**(429,069)**	-	(429,069)

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

December 31, 2023		Carrying Amount					Fair value			
(€'000)	Note	Designated at FVTPL	Fair value - hedging instruments	Loans and receivables at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Aluminium derivatives held for trading	22		-			-		-		-
		-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value (*)										
Trade receivables - third parties	18			12,025	-	**12,025**	-	-	-	-
Trade receivables - related parties	18			44,546	-	**44,546**	-	-	-	-
Financial assets - related parties	17			295,888	-	**295,888**	-	279,592	-	**279,592**
Cash and cash equivalents	16			79,888	-	**79,888**	-	-	-	-
Financial assets - third parties	17			119	-	**119**	-	-	-	-
		-	-	**432,466**	-	**432,466**	-	**279,592**	-	**279,592**
Financial liabilities measured at fair value				-	-	-	-	-	-	-
MIP (Management Incentive Plan)	9	(7,674)				**(7,674)**			(7,674)	**(7,674)**
Aluminium derivatives used for trading	37			-	-	-	-	-	-	-
		(7,674)	-	-	-	**(7,674)**	-	-	**(7,674)**	**(7,674)**
Financial liabilities not measured at fair value (*)				-	-	-	-	-	-	-
Secured bank loans	32			-	-	-	-	-	-	-
Secured bond issues	32			-	(827,079)	**(827,079)**	-	(808,945)	-	**(430,274)**
Lease liabilities (IFRS 16)	32			-	(2,937)	**(2,937)**	-	-	-	-
Other liabilities (to Cortapedra srl: Acquisition Labrenta Srl)	32			-	(14,057)	**(14,057)**	-	-	-	-
Trade payables - third parties	33			-	(22,362)	**(22,362)**	-	-	-	-
Trade payables - related parties	33			-	(5,922)	**(5,922)**	-	-	-	-
		-	-	-	**(872,357)**	**(872,357)**	-	**(808,945)**	-	**(430,274)**

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

(b) Measurement of fair values

(iii) Valuation techniques and significant unobservable inputs

Level 1

There are no financial instruments classified at level 1 at year end.

Level 2

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

Financial instruments measured and not measured at fair value

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

Even though secured bond issues are quoted on the OTC market like the Euro-MTF in Luxembourg, no relevant transactions were recorded during the year and therefore, these financial instruments were classified as level 2.

Furthermore, the fair value information for financial assets and financial liabilities not measured at fair value is not included as their carrying amount is a reasonable approximation of fair value.

Sometimes the Company decided not to designate aluminium currency derivative contracts as hedge accounting relationships for operational reasons. The derivative agreements used by the Company are forward and option exchange contracts covering aluminium exposure on raw material purchases. All derivatives contracts were designated as hedge accounting relationships in 2023 while not all derivatives were designated as hedges in 2022.

Level 3

- ***Level 3 fair values***

Reconciliation of Level 3 fair values

Level 3 fair values at December 31, 2022 and 2023 are shown below:

(€'000)	
December 31, 2022	-
MIP - Net fair value loss	7,674
Balance at December 31, 2023	**7,674**

(c) Financial risk management

The Company is exposed to the following risks as a result of its operations:

- credit risk;
- liquidity risk;
- interest rate risk;
- currency risk;
- other price risk.

The Board of Directors has overall responsibility for establishing and monitoring the company's risk management system.

The proxy system ensures the risk management guidelines are implemented and regularly monitored.

The Finance Fepartment is responsible for the monitoring and, in carrying out such activities, it uses information generated by the internal control system.

Credit risk

This is the risk that a customer or the counterparty to a financial instrument is unable to meet an obligation, leading to a financial loss. These risks arise mainly in relation to trade receivables and financial investments.

The Company's exposure to credit risk depends largely on each customer's specific characteristics. The demographics of the Company's customer portfolio, including the segment insolvency risk and country risk, have an impact on the credit risk.

The Company accrues a loss allowance equal to estimated losses on trade and other loans and receivables, It comprises both the recognition of impairment losses for material individual amounts and the recognition of collective impairment losses for similar groups of assets to cover losses already incurred but not identified. The collective impairment losses are calculated on the basis of historical payment statistics.

Most of the Company's trade receivables are due from leading operators of the alcoholic and non-alcoholic beverage segment. Most of its trading relationships are with longstanding customers. The Company's historical figures indicate a very modest amount of impairment losses. The risk is fully covered by the corresponding loss allowance recognised in the separate financial statements.

There are no cases of particularly concentrated credit risk in geographical terms.

At December 31, 2023, trade receivables - third parties may be analysed by geographical segment as follows:

(€'000)	December 31, 2022	December 31, 2023
Europe	13,561	11,454
Latin America	421	328
Asia	521	562
Rest of the word	1,263	637
Total	**15,766**	**12,981**

At December 31, 2023, trade receivables - third parties may be analysed by due date as follows:

(€'000)	Gross amount December 31, 2023	Impairment loss December 31, 2023	Net amount December 31, 2023
Not yet due	10,261	-	10,261
0-30 days past due	1,586	-	1,586
31-90 days past due	345	-	345
After 90 days	789	(956)	(167)
Total	**12,981**	**(956)**	**12,025**

The Company believes that the unimpaired amounts that are past due by more than 90 days are totally collectible, based on historical payment behaviour and extensive analyses of the underlying customers' credit ratings. Based on historical default rates, the Company believes that, apart from the above, no loss allowance is necessary in respect of trade receivables not yet due or past due by up to 90 days.

At December 31, 2023, trade receivables - third parties may be analysed by original currency as follows:

(€'000)	EUR	USD	NOK	Total
Trade receivables	12,115	803	62	**12,981**

An analysis of the credit quality of trade receivables - subsidiaries is as follows:

(€'000)	December 31, 2023
- Four or more years' trading history with the Company	**30,522**
- From four to one years' trading history with the Company	**14,024**
- Less than one year' trading history with the Company	**-**
Total	**44,546**

At December 31, 2023, receivables due from subsidiaries may be analysed by geographical segment as follows:

(€'000)	December 31, 2022	December 31, 2023
Europa	29,426	26,275
America latina	10,816	11,082
Asia	1,307	2,235
Oceania	717	786
Resto del mondo	2,854	4,168
Total	**45,120**	**44,546**

At December 31, 2023, receivables due from subsidiaries may be analysed by due date as follows:

(€'000)	Gross amount December 31, 2023	Impairment loss December 31, 2023	December 31, 2023
Not yet due	23,640		23,640
0-30 days past due	2,829	-	2,829
31-90 days past due	6,949	-	6,949
After 90 days	12,452	(1,325)	11,128
Total	**45,871**	**(1,325)**	**44,546**

The Company calculates default interest at 3-month Euribor (zero floor) plus a spread of 2.5% on past due receivables from subsidiaries. Payments terms reflect the dynamics of payment management within the Group.

At December 31, 2023, receivables due from subsidiaries may be analysed by original currency as follows:

(€'000)	€	USD	GBP	Total
Trade receivables - subsidiaries	44,526	27	1,318	**45,871**

Liquidity risk

This risk regards the Company's ability to meet its obligations arising from financial liabilities.

The Company's approach to liquidity management is to ensure adequate funds are always available to cover its obligations at the expiry dates, both in normal conditions and at times of financial difficulty, without incurring borrowing expense at terms higher than market conditions.

The Company generally ensures there is sufficient cash and cash equivalents to cover forecast short-term operating expenses, including those related to financial liabilities. Contingent effects arising from extreme situations that cannot reasonably be forecast, such as natural disasters, are excluded from the above. The aim of the financing strategy is to maintain a well-balanced maturity profile for liabilities to thereby reduce the refinancing risk. Historically, the Company has always met its obligations on time and has been able to re-finance the indebtedness in advance before it expires.

At the reporting date, the Company has the loans, credit lines and facilities shown in the tables in note 32) Current and non-current financial liabilities to which reference should be made for additional information.

Exposure to liquidity risk

The following are the outstanding contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

(€'000)	Carrying amount	Contractual cash flow Within one year	Between one and five years	After five years	Total contractual cash flows
Non-derivatives financial liabilities					
Secured bank loans	(1,796)	(954)	(3,080)	-	(4,033)
Secured bond issues	827,079	(45,869)	(676,922)	(365,025)	(1,087,816)
Finance lease liabilities	2,937	(753)	(2,183)	-	(2,937)
Other liabilities vs Cortapedra S.r.l. for Labrenta S.r.l. acquisition	14,057	(3,720)	(10,925)	-	(14,645)
Trade payables – third parties	22,362	(22,362)	-	-	(22,362)
Trade payables – related parties	5,922	(5,922)	-	-	(5,922)
Total	**870,561**	**(79,580)**	**(693,110)**	**(365,025)**	**(1,137,715)**
Derivative financial liabilities					
Interest rate swaps used for hedging	6,799	-	(6,799)	-	-
Aluminium swaps used for hedging	68	(68)			
Total	**6,867**	**(68)**	**-**	**-**	**-**

The interest payments on variable interest rate loans and bond issues in the table above and included in contractual cash flows reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows from the contingent consideration may be different from the amounts in the above table as interest rates and exchange rates or the relevant conditions underlying the payment of contingent consideration change.

Except as previously reported, it is not expected that the cash flows included in the maturity analysis will materialise significantly earlier, or at significantly different amounts.

Interest rate risk

Interest rate risk relates to volatility of the market rates which determine the interest expense paid on outstanding loans.

The Company is exposed to the interest rate risk as a part of its financial liabilities is subject to the payment of interest at floating rates subject to short-term repricing.

Effective interest rate and repricing analysis

The following table shows the effective interest rate at the reporting date and for the period in which the related rate may be reviewed for interest-bearing financial assets and liabilities.

(€'000)	Effective interest rate - December 2023	Total 12/31/23	Up to 6 months	6 - 12 months	1 - 2 years	2 - 5 years	After 5 years
Bonds							
Bonds - Senior Secured Notes due in 2028 issued by Guala Closures SpA	3.25%	500,000	500,000	-	-	-	-
Bonds - Senior Secured Notes due in 2029 issued by Guala Closures SpA	Euribor 3M + 4%	350,000	350,000	-	-	-	-
Accrued interest and deferred income Guala (interests on bond)	n.a.	1,889	1,889	-	-	-	-
Transaction costs	n.a.	(22,920)	(22,920)	-	-	-	-
TOTAL Bonds SSN - Guala Closures SpA		**828,969**	**828,969**	**-**	**-**	**-**	**-**
Bank loans and borrowings:							
Revolving Credit Facility	Euribor 3M + 1.75%	-	-	-	-	-	-
Transaction costs	n.a.	(1,954)	(1,954)	-	-	-	-
Total Revolving Credit Facility		**(1,954)**	**(1,954)**	**-**	**-**	**-**	**-**
Loan Cassa di Risparmio di Alessandria							
Accrued expenses and deferred income	n.a.	157	157	-	-	-	-
Other bank loans and borrowings	n.a.	-	-	-	-	-	-
Total bank loans and borrowings		**157**	**157**	**-**	**-**	**-**	**-**
Other financial liabilities:							
Market Warrants	n.a.	-	-	-	-	-	-
Finance leases	n.a.	2,937	2,937	-	-	-	-
Other liabilities (Liabilities vs Cortapedra srl : Acquisition Labrenta Srl)	n.a.	14,057	14,057				
Other	n.a.	42	42	-	-	-	-
Total other financial liabilities		**17,036**	**17,036**	**-**	**-**	**-**	**-**
TOTAL		**844,208**	**844,208**	**-**	**-**	**-**	**-**

Sensitivity analysis

The fair value of financial liabilities was calculated by an external actuary using the following methodology:

- the cash flows generated by the outstanding liabilities are identified both in terms of interest and principal. These cash flows are calculated with reference to the interest rates and the related repayment plan;

- the individual cash flows are discounted using risk-free rates ruling on the measurement date. These rates are deducted from the swap rates using the bootstrap method for each expiry date of the corresponding cash flow based on the resulting time curve;

- furthermore the individual cash flows are discounted using an additional rate, based on the Company's credit standing, calculated as the weighted average of the spreads applied to the different financing agreements. The spreads applied to the financing agreements are deemed to objectively represent the Company's credit standing and subsequent significant changes should not arise given its current financial position.

The interest applied to the Senior Secured Notes is fixed and the Senior Revolving Credit Facility was not used at December 31, 2023 so the sensitivity analysis for the cash flows from these financial liabilities is not necessary.

The interest applied to the Floating Rate Senior Secured Notes is floating: the following table show the variation in case of changes of the interest rate:

		+100 *bps*	**-100 *bps***
Floating rate senior secured notes due 2029	Euribor 3M (floor 0%) + 4%	(13,967)	12,453

The following table shows the sensitivity analysis for the cash flows from these financial liabilities and the related hedging derivatives at December 31, 2023:

(€'000)	**Increase of 100bp**	**Decrease of 100bp**
Intercompany loan Guala Closures International B.V.	(2,453)	2,401
Intercompany loan Guala Closures UCP Ltd.	(352)	369
Intercompany loan Guala Closures Argentina S.A.	(14)	14
Intercompany loan Guala Closures East Africa Ltd.	(13)	13
Intercompany loan Guala Closures UK Ltd.	(518)	548
Sensitivity of cash flows (net)	**(3,350)**	**3,345**

The following methodology is used to perform the sensitivity analyses: a change is assumed in the interest rate used to calculate the interest (+/- 100 basis points), which indicates the change in the overall liability. Accordingly, negative amounts indicate an increase in the fair value of the liability and vice versa for positive amounts.

Currency risk

This risk relates to the effect of fluctuations in exchange rates on sales and purchases in currencies other than the functional currency of the Company.

The Company is exposed to currency risk, particularly in relation to fluctuations of the pound sterling and US dollar,

Interest on loans is denominated in the currency of the cash flows generated by the Company's underlying transactions.

The risk of exchange fluctuations was managed in the past using currency hedges when significant differences were noted between cost and revenue in foreign currency and such differences were hedged through the forward purchase or sale of foreign currency. At the reporting date, there weren't contracts hedging trade receivables in any currency.

Sensitivity analysis

The appreciation of the Euro, as indicated below, against the USD and the GBP at December 31, 2023 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on exchange rate fluctuations that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis was performed on the same basis, though taking into account different changes in exchange rates deemed reasonably possible, as indicated below.

	Strengthening		**Weakening**	
2023	**Assets**	**Profit or loss**	**Liabilities**	**Profit or loss**
USD (10% change)	(76)	(76)	62	62
GBP (10% change)	5,543	5,543	(4,535)	(4,535)

Other price risk

As a result of the nature of its activities, the Company is exposed to the risk of fluctuations in the purchase price of raw materials, particularly plastics and aluminium.

The risk of fluctuations in the purchase price of plastics has not been hedged as these raw materials were not listed on international markets.

Aluminium held for hedging is related to hedged quantity of 250 tons with a fair value of €68 thousand.

(45) Related party transactions

Reference should be made to the following notes to the separate financial statements for information on relationships with subsidiaries: 4) Net revenue; 5) Other operating income; 7) Costs for raw materials; 8) Costs for services; 9) Personnel expense; 11) Financial income; 12) Financial expense, 13) Income from equity investments, 17) Current and non-current financial assets; 18) Trade receivables; 23) Other current assets and 33) Trade payables.

Transactions with the key management personnel are set out below:

	Costs recognized in the period									
	Fees for position held	Incentives	Remuneration for employment	Accrual for post-employment benefits and other supplementary pension funds	Non-cash benefits	Other benefits	**Total**	Accrual for post-employment benefits at December 31, 2023	Other payables at December 31, 2023	Cash flows in the year
Total directors/key managers	1,117	4,481	641	48	29	4,770	**11,087**		7,519	4,903

At December 31, 2023, there were no free allocations of shares to employees.

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..

Cortapedra S.r.l. is a related party of Guala Closures S.p.A. as the owners are directors of Labrenta S.r.l., for amounts involved please refers to Equity investment section.

The Group has share-based long-term incentive plan for certain members of management and other key employees and talents, Group’s share-based payment plans and arrangements are cash-settled and provide the contingent right to receive cash at the time of the exit of the current actual shareholder of the Group or in case of IPO based on capital gain (range granted to the managers is estimated from 2% to 7% of the capital gain based on the exit price), subject to the fulfilment of a five-year service vesting condition (each year provide a vesting of 1/5 of the plan) and if certain exit price will be reached, Director estimate that this plan and arrangements have a non-significant impact on the Group’s result in 2023 since the 70% of the plan was approved in November 2023 and only two key managers (totalling 40% of the pan) have already vested the first year of service at the end of the year.

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

(46) Contingent liabilities

For information on contingent tax liabilities, reference should be made to note 36) Provisions.

At the date of publication of these separate financial statements, there were no significant contingent liabilities in relation to which the Company can currently foresee future expenditure.

(47) Commitments and guarantees

The Company's commitments and guarantees at the reporting date are as follows:

- Pledge over the Guala Closures International B.V. shares held by Guala Closures S.p.A.;

The other commitments of the Company at December 31, 2023 are as follows:

(€'000)	December 31, 2023
Third parties assets held by the Company	7,986

(48) Statutory auditors' fees

The statutory auditors' fees are as follows:

(€'000)	Costs recognised in the year								
	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 December 31, 2023	Other liabilities at December 31, 2023	Cash flows for the year
Total - statutory auditors	130	-	-	-	-	130	-	130	107

(49) Events after the reporting period

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

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

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

Information pursuant to article 1,125 of Law no, 124 of 4 August 2017

Paragraphs 125, 127 – Grants, contributions and economic benefits received

During the year, the Company did not received any grants, contributions, paid engagements and economic benefits from the public administrations and the parties covered by the first sentence of paragraph 125 of article 1 of Law no, 124/2017.

Paragraphs 126, 127 – Grants, contributions and economic benefits granted

During the year, the Company did not enter into any deeds for grants, contributions, subsidies and economic benefits to natural persons and public and private bodies.

(50) Proposal of the board of directors to the shareholders

We propose the shareholders, in their ordinary meeting, to resolve to allocate the profit for the year €13,532,917 as follows:

- € 173,988 to the bound reserve pursuant to art. 2426 n. 8a for unrealised foreign exchange gains for the amount equal to the difference between gains and unrealised foreign exchange losses at 31.12.2023;

- € 13,358,929 to the extraordinary reserve having already reached the legal reserve the amount provided for by art. 2430 c.c..

On behalf of the board of directors

CEO

Mauro Caneschi

(signed on the original)

April 16, 2024

Annexes to the separate financial statements of Guala Closures S.p.A.

Annex A)

List of investments in indirectly controlled subsidiaries at December 31, 2023

Annex B)

Labrenta S.r.l. - Financial Statements as at December 31, 2023

ANNEX A)

List of investments in indirectly controlled subsidiaries at December 31, 2023

	Registered office	Currency	Share/quota capital	Investment percentage
EUROPE				
Labrenta S.r.l.	Italy	EUR	500,000	100%
Anacorks Unipessoal Lda	Portugal	EUR	37,000	100%
Guala Closures International B.V.	The Netherlands	EUR	92,000	100%
GCL International S.à r.l.	Luxembourg	EUR	15,140,700	100%
Guala Closures UK Ltd.	United Kindom	GBP	134,000	100%
Guala Closures UCP Ltd.	United Kindom	GBP	3,509,000	100%
Guala Closures Iberica, S.A.	Spain	EUR	9,879,980	100%
Guala Closures France SAS	France	EUR	2,748,000	100%
Guala Closures Technologia Ukraine LLC	Ukraine	UAH	90,000,000	70%
Guala Closures Bulgaria A.D.	Bulgaria	BGN	6,252,120	70%
Guala Closures DGS Poland S.A.	Poland	PLN	595,000	70%
Guala Closures BY LLC	Belarus	BYN	1,158,800	85%
Guala Closures Deutschland GmbH	Germany	EUR	500,000	100%
Guala Closures Turkey Ambalaj ve Kapak Sistemleri Sanayi ve Ticaret Anonim Şirketi	Turkey	TRY	11,000,000	100%
ASIA				
Guala Closures India Pvt Ltd.	India	INR	170,000,000	95%
Beijing Guala Closures Co. Ltd.	China	CNY	20,278,800	100%
Guala Closures (Chengdu) Co. Ltd.	China	CNY	-	70%
Fengyi Guala Closures (Sichuan) Co Ltd.	China	CNY	21,857,140	70%
Yibin Guanghua Packaging Co. Ltd.	China	CNY	5,000,000	70%
Guizhou Fengyi Packaging Co Ltd.	China	CNY	10,000,000	70%
Sichuan Fengyi Cap Production Co Ltd.	China	CNY	10,000,000	70%
LATIN AMERICA and NORTH AMERICA				
Guala Closures Mexico, S.A. de C.V.	Mexico	MXN	94,630,010	100%
Guala Closures Argentina S.A. (*)	Argentina	ARS	498,960,489	100%
Guala Closures do Brasil Ltda	Brazil	BRL	10,736,290	100%
Guala Closures de Colombia Ltda	Colombia	COP	8,691,219,554	93.2%
Guala Closures Chile SpA	Chile	CLP	6,504,935,369	100%
Guala Closures North America, Inc.	United States	USD	60,000	100%
OCEANIA				
Guala Closures New Zealand Ltd.	New Zealand	NZD	5,700,000	100%
Guala Closures Australia Holdings Pty Ltd.	Australia	AUD	34,450,501	100%
Guala Closures Australia Pty Ltd.	Australia	AUD	810	100%
AFRICA				
Guala Closures South Africa Pty Ltd.	South Africa	ZAR	60,000,100	100%
Guala Closures East Africa Pty Ltd.	Kenya	KES	30,300,000	100%

(*) The share capital reported for Guala Closures Argentina S.A. represents the nominal value and does not include the revaluation for inflation.

ANNEX B)

Labrenta S.r.l. - Financial Statements as at December 31, 2023

GUALA CLOSURES SPA formerly LABRENTA SRL

Registered office: VIA DELL'INNOVAZIONE 2, BREGANZE (VI)

Registered in VICENZA Chamber of Commerce Companies Register

Tax code and registration number: 02454560240

VI Economic and Administrative Index - 232540

Subscribed capital Euro 500,000.00, fully paid-in

VAT registration number: 02454560240

Report on operations

Ordinary financial statements at and for the year ended 31/12/2023

Members, information relevant to illustrating the financial statements at and for the year ended 31/12/2023 has been provided to you in the notes. In this document, pursuant to Art. 2428 of the Italian Civil Code, we provide you with information regarding your company’s situation and operating performance. This report, in which figures are presented in euros, is presented together with the financial statements with the aim of providing information on the Company's financial performance and financial position, accompanied by historical elements and prospective assessments, where possible.

The global scenario

After the post-pandemic recovery ended in 2021-2022, 2023 concluded with signs of recovery and growth in the global economy, which remained weak for much of the year. However, the economic outlook for 2024 remains

characterised by high uncertainty and risks on the recovery of international trade, mainly related to the escalation and spread of geopolitical tensions in Ukraine and the Middle East and less favourable financial conditions.
Inflation moderated across the board during 2023 as a result of a more restrictive monetary policy stance and falling energy commodity prices compared to the peaks in 2022. Normalisation was expected in 2024, with price dynamics and interest rates returning to values similar to the average of recent years. However, the conflict in the Middle East had serious repercussions for trade. The risk of possible attacks has led many shipping companies to change their routes, with negative consequences in terms of costs and transport capacity. Despite high tensions in the Middle East region, energy commodity prices did not show any particular tension, falling back to the values of summer 2021.
The Italian environment in 2023 was marked by a return of inflation in the wake of the energy component, but food and service prices accelerated, with a non-negligible drag on 2024. The general economic picture seems to be moving towards a stabilisation of inflation, which, however, could be affected by geopolitical tensions, in relation to both commodity prices and supply chain bottlenecks.
The economy is expected to accelerate slightly in 2024 compared to 2023, with gradual strengthening due to lower inflation and accelerating foreign demand. These forecasts are based on the assumption of full implementation of the NRRP investment programmes, as well as the gradual easing of the ECB's restrictive monetary policy cycle adopted starting in summer 2022. The economic outlook described above is exposed to multiple risks that are mainly external in nature, as they stem from international factors, such as ongoing conflicts, monetary policy and critical environmental and social issues.

Information regarding the company

During the reporting year, the company suffered a decline in sales compared to 2022 due to unfavourable market conditions caused by a negative combination of factors: on the one hand, inventory destocking and, on the other, a reduction in customer demand.
In 2023 Labrenta consolidated its process of integration into the Guala Group, which also resulted in its merger into Guala Closures S.p.A.

Key events

Below are some particularly significant events it is believed useful to bring to your attention.
On 27/12/2023, by deed drawn up by notary Luciano Mariano of Alessandria (AL), the deed of merger by absorption of the company LABRENTA SRL into GUALA CLOSURES SPA was signed, with an effective date of 01.01.2024.
The company invested Euro 1,639,904 in 2023 in the purchase of plant and machinery in order to develop and supplement the ongoing investment programme aimed at realising the company's strategies, and three new leasing contracts were signed for machinery.
In addition, during the year, an equity interest in Anacork Unipessoal Lda, equal to 100% of share capital, was purchased for Euro 2,350,000.

Management and coordination

Pursuant to Article 2497-bis (5) of the Italian Civil Code, it is disclosed that the company belongs to the GUALA CLOSURES Group and is subject to management and coordination by GUALA CLOSURES SPA.

Financial situation

In the interest of a better understanding of the company's financial situation, a reclassified balance sheet is presented below.

Balance Sheet - Assets

Item	2023	%	2022	%	Abs. chg.	Chg. in %
CURRENT ASSETS	**9,983,558**	**53.50 %**	**11,857,947**	**57.61 %**	**(1,874,389)**	**(15.81) %**
Cash and cash equivalents	**1,569,803**	**8.41 %**	**1,086,267**	**5.28 %**	**483,536**	**44.51 %**
Cash and cash equivalents	1,569,803	8.41 %	1,086,267	5.28 %	483,536	44.51 %
Trade and other current receivables	**6,909,135**	**37.02 %**	**8,166,586**	**39.68 %**	**(1,257,451)**	**(15.40) %**
Due from members						
Short-term current accounts receivable	6,761,744	35.32 %	7,866,957	38.22 %	(1,275,370)	(16.21) %
Short-term portion of non-current accounts receivable						
Property, plant and equipment held for sale						
Financial assets						
Accrued income and prepaid expenses	317,548	1.70 %	299,629	1.46 %	17,919	5.98 %
Inventories	1,504,620	8.06 %	2,605,094	12.66 %	(1,100,474)	(42.24) %
NON-CURRENT ASSETS	**8,678,470**	**46.50 %**	**8,725,302**	**42.39 %**	**(46,832)**	**(0.54) %**
Intangible assets	920,014	4.93 %	904,565	4.39 %	15,449	1.71 %
Property, plant and equipment	4,925,488	26.39 %	3,932,385	19.10 %	993,103	25.25 %
Long-term investments	2,361,096	12.65 %	662,948	3.22 %	1,698,148	256.15 %
M/L-term current accounts receivable	301,715	2.53 %	3,225,404	15.67 %	(2,753,532)	(85.37) %
TOTAL ASSETS	**18,662,028**	**100.00 %**	**20,583,249**	**100.00 %**	**(1,921,221)**	**(9.33) %**

Balance Sheet - Liabilities

Item	2023	%	2022	%	Abs. chg.	Chg. in %
DEBT	**15,237,112**	**81.65 %**	**16,814,123**	**81.69 %**	**(1,577,011)**	**(9.38) %**
Current liabilities	**11,245,075**	**60.26 %**	**10,288,514**	**49.98 %**	**956,561**	**9.30 %**
Short-term accounts payable	9,567,616	51.27 %	8,554,011	41.56 %	1,013,605	11.85 %
Accrued expenses and deferred income	1,677,459	8.99 %	1,734,503	8.43 %	(57,044)	(3.29) %
Consolidated liabilities	**3,992,037**	**21.39 %**	**6,525,609**	**31.70 %**	**(2,533,572)**	**(38.83) %**
M/L-term accounts payable	2,899,441	15.54 %	4,116,680	20.00 %	(1,217,239)	(29.57) %
Provisions for risks and charges	500,904	2.68 %	1,848,467	8.98 %	(1,347,563)	(72.90) %
Employee termination indemnities	591,692	3.17 %	560,462	2.72 %	31,230	5.57 %
EQUITY	**3,424,916**	**18.35 %**	**3,769,126**	**18.31 %**	**(344,210)**	**(9.13) %**
Registered capital	500,000	2.68 %	500,000	2.43 %		
Reserves	3,269,129	17.52 %	3,986,306	19.37 %	(717,177)	(17.99) %
Profits (losses) carried forward						
Profit (loss) for the year	(344,213)	(1.84) %	(717,180)	(3.48) %	372,967	52.00 %
Loss covered during the year						
TOTAL LIABILITIES AND EQUITY	**18,662,028**	**100.00 %**	**20,583,249**	**100.00 %**	**(1,921,221)**	**(9.33) %**

Main financial position indicators

The following financial indicators have been calculated on the basis of the reclassification presented above:

CONTENTS	2023	2022	Changes (%)
Coverage of non-current assets with equity			
= A) Equity / B) Non-current assets	41.73 %	68.53 %	(39.11) %
This indicator is used to assess the equilibrium between the undertaking's equity and fixed investments.			
Banks to current assets			
= D.4) Due to banks / C) Current assets	54.00 %	42.20 %	27.96 %
The indicator measures the degree of coverage of current assets through the use of bank sources of funding.			
Debt-to-equity ratio			

CONTENTS	2023	2022	Changes (%)
= [TOT. LIABILITIES - A) Equity] / A) Equity	4.45	4.46	(0.22) %
This indicator expresses the ratio of debt to equity.			
Financial debt ratio			
= [D.1) Bonds payable + D.2) Convertible bonds payable + D.3) Due to members for loans + D.4) Due to banks + D.5) Due to other lenders + D.8) Credit instruments payable + D.9) Due to subsidiaries + D.10) Due to associates + D.11) Due to parent companies + D.11- bis) Due to companies controlled by parent companies] / A) Equity	2.42	1.70	42.35 %
This indicator measures the ratio of the undertaking's reliance on financing (interest-bearing debt subject to payment) to its equity.			
Equity to invested capital			
= A) Equity / TOT. ASSETS	18.35 %	18.31 %	0.22 %
The indicator measures the undertaking's capitalisation level and therefore its financial independence from third-party financing.			
Financial expenses to turnover			
= C.17) Interest and other financial expenses (ordinary share) / A.1) Sale and service revenues (ordinary share)	1.32 %	0.45 %	193.33 %
The indicator expresses the ratio of financial expenses to the company's turnover.			
Availability ratio			
= [A) Subscribed capital unpaid + B.III.2) Accounts receivable (due within one year) + C.I) Inventories + Property, plant and equipment held for sale + C.II) Accounts receivable (due within one year) + C.III) Short-term financial assets + C.IV) Cash and cash equivalents + D) Accruals and deferrals] / [D) Accounts payable (due within one y ear) + E) Accruals and deferrals]	90.29 %	115.25 %	(22.97) %
This indicator measures the company's ability to meet current payables drawing on current receivables, broadly construed (i.e., including inventory).			
Primary assets cover margin			
= [A) Equity - (B) Non-current assets - B.III.2) Accounts receivable (due within one year) + C.II Receivables (due beyond one year))]	(5,083,397.00)	(4,652,515.00)	(9.26) %

CONTENTS	2023	2022	Changes (%)
This is the ratio of equity to net non-current assets. It expresses, in absolute terms, the undertaking's ability to cover its investments in non-current assets using equity.			
Financing ratio for net non-current assets			
= [A) Equity] / [B) Non-current assets - B.III.2) Accounts receivable (due within one year) + C.II Accounts receivable (due beyond one year)]	0.40	0.45	(11.11) %
This is the ratio of equity to net non-current assets. It represents the amount of non-current assets financed by equity, in relative terms.			
Secondary assets cover margin			
= [A) Equity + B) Provisions for risks and charges + C) Employee termination indemnities + D) Accounts payable (due beyond one year)] - [B) Non-current assets - B.III.2) Accounts receivable (due within one year) + C.II Accounts receivable (due beyond one year)]	(1,091,360.00)	1,873,094.00	(158.27) %
It is calculated as the difference between consolidated capital (net capital plus long-term accounts payable) and non-current assets. It expresses, in absolute terms, the undertaking's ability to cover investments in non-current assets using consolidated sources of funding.			
Financing ratio for consolidated liabilities and net non-current assets			
= [A) Equity + B) Provisions for risks and charges + C) Employee termination indemnities + D) Accounts payable (due beyond one year)] - [B) Non-current assets - B.III.2) Accounts receivable (due within one year) + C.II Accounts receivable (due beyond one year)]	0.87	1.22	(28.69) %
This is the ratio of consolidated capital to net non-current assets. It represents, in relative terms, the amount of non-current assets financed by consolidated sources of finding.			
Net working capital			
= [A) Subscribed capital unpaid + B.III.2) Accounts receivable (due within one year) + C.I) Inventories + Property, plant and equipment held for sale + C.II) Accounts receivable (due within one year) + C.III) Short-term financial assets + C.IV) Cash and	(1,261,517.00)	1,569,433.00	(180.38) %

CONTENTS	2023	2022	Changes (%)
cash equivalents + D) Accruals and deferrals] - [D) Accounts payable (due within one y ear) + E) Accruals and deferrals]			
It is calculated as the difference between gross working capital and current liabilities. It expresses, in absolute terms, the undertaking's ability to meet its short-term obligations using its available funds.			
Quick margin			
= [A) Subscribed capital unpaid + B.III.2) Accounts receivable (due within one year) + Property, plant and equipment intended for sale + C.II) Accounts receivable (due within one year) + C.III) Short-term financial assets + C.IV) Cash and cash equivalents + D) Accruals and deferrals] - [D) Accounts payable (due within one y ear) + E) Accruals and deferrals]	(2,595,980.00)	(1,035,661.00)	(167.09) %
It consists of the absolute difference between immediate and deferred cash and current liabilities. It represents the company's ability to meet its current commitments with its own cash			
Quick ratio			
= [A) Subscribed capital unpaid + B.III.2) Accounts receivable (due within one year) + Property, plant and equipment intended for sale + C.II) Accounts receivable (due within one year) + C.III) Short-term financial assets + C.IV) Cash and cash equivalents + D) Accruals and deferrals] - [D) Accounts payable (due within one y ear) + E) Accruals and deferrals]	76.91 %	89.93 %	(16.16) %
The ratio measures the company's ability to meet its current accounts payable with liquid assets represented by cash or short-term receivables			

Financial performance

In the interest of a better understanding of the company's operating result, a reclassified income statement is presented below.

Income statement

Item	2023	%	2022	%	Abs. chg.	Chg. in %
VALUE OF PRODUCTION	**18,656,172**	**100.00 %**	**24,340,611**	**100.00 %**	**(5,684,439)**	**(23.35) %**
- Raw materials	6,249,972	33.50 %	8,643,768	35.51 %	(2,393,796)	(27.69) %
- General expenses	4,854,609	26.02 %	5,945,186	24.42 %	(1,090,577)	(18.34) %
VALUE ADDED	**7,551,591**	**40.48 %**	**9,751,657**	**40.06 %**	**(2,200,066)**	**(22.56) %**
- Other revenues	663,239	3.56 %	744,892	3.06 %	(81,653)	(10.96) %
- Personnel costs	5,805,668	31.12 %	6,526,862	26.81 %	(721,194)	(11.05) %
- Provisions			1,786,207	7.34 %	(1,786,207)	(100.00) %
GROSS OPERATING MARGIN	**1,082,684**	**5.80 %**	**693,696**	**2.85 %**	**388,988**	**56.07 %**
- Depreciation, amortisation and impairment	1,523,382	8.17 %	791,848	3.25 %	731,534	92.38 %
CORE BUSINESS RESULT (net operating margin)	**(440,698)**	**(2.36) %**	**(98,152)**	**(0.40) %**	**(342,546)**	**(349.00) %**
+ Other revenues	663,239	3.56 %	744,892	3.06 %	(81,653)	(10.96) %
- Other operating costs	131,709	0.71 %	220,539	0.91 %	(88,830)	(40.28) %
INCOME BEFORE FINANCIAL INCOME AND CHARGES	**90,832**	**0.49 %**	**426,201**	**1.75 %**	**(335,369)**	**(78.69) %**
+ Financial income	249,775	1.34 %	14,592	0.06 %	235,183	1,611.73 %
+ Foreign exchange gains and losses	(48,308)	(0.26) %	(8,664)	(0.04) %	(39,644)	(457.57) %
OPERATING RESULT (current margin before financial charges)	**292,299**	**1.57 %**	**432,129**	**1.78 %**	**(139,830)**	**(32.36) %**
+ Financial charges	(249,802)	(1.34) %	(104,938)	(0.43) %	(144,864)	(138.05) %
INCOME BEFORE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES	**42,497**	**0.23 %**	**327,191**	**1.34 %**	**(284,694)**	**(87.01) %**
+ Value adjustments to financial assets and liabilities	(294,045)	(1.58) %	(588,882)	(2.42) %	294,837	50.07 %
+ Former extraordinary area share						
PRE-TAX PROFIT (LOSS)	(251,548)	(1.35) %	(261,691)	(1.08) %	10,143	3.88 %
- Income tax for year	**92,665**	**0.50 %**	**455,489**	**1.87 %**	**(362,824)**	**(79.66) %**
PROFIT / LOSS	**(344,213)**	**(1.85) %**	**(717,180)**	**(2.95) %**	**372,967**	**52.00 %**

Main financial performance indicators

The following financial indicators have been calculated on the basis of the reclassification presented above:

CONTENTS	2023	2022	Changes (%)
R.O.E.			
= 21) Profit (loss) for the year / A) Equity	(10.05) %	(19.03) %	47.19 %
This indicator measures the return on the equity invested in the undertaking.			
R.O.I.			
= [[[A) Value of production (ordinary share) - A.5) Other revenues and income (ordinary share)] - [B) Costs of production (ordinary share) + B.14) Other operating costs (ordinary share)] - [B.10) Depreciation, amortisation and impairment (ordinary share)] - B.10) Depreciation, amortisation and impairment (ordinary share)]]] / TOT. ASSETS	(2.36) %	(0.48) %	(391.67) %
This indicator measures the return on and efficiency of invested capital with respect to core business operations.			
R.O.S.			
= [A) Value of production (ordinary share) - B) Costs of production (ordinary share)] / A.1) Sale and service revenues (ordinary share)	0.48 %	1.84 %	(73.91) %
This indicator measures the company's ability to generate profits from sales, i.e. the operating income earned on each unit of sales.			
R.O.A.			
= [A) Value of production (ordinary share) - B) Costs of production (ordinary share)] / TOT. ASSETS	0.49 %	2.07 %	(76.33) %
This indicator measures the return on invested capital at the level of the profit or loss before financial income and charges.			
NORMALISED E.B.I.T.			
= [A) Value of production (ordinary share) - B) Costs of production (ordinary share) + C.15) Income from equity investments (ordinary share) + C.16) Other financial income (ordinary share) + C.17-bis) Foreign exchange gains and losses (ordinary share) + D) Adjustments to financial assets and liabilities (ordinary share)]	(1,746.00)	(156,753.00)	98.89 %
This is the income margin that measures the operating result excluding extraordinary income and expenses and financial income			

CONTENTS	2023	2022	Changes (%)
and charges. It includes ancillary and financial items, net of financial charges.			
FULL E.B.I.T.			
= [A) Value of production - B) Costs of production + C.15) Income from equity investments + C.16) Other financial income + C.17-bis) Foreign exchange gains and losses + D) Value adjustments to financial assets and liabilities	(1,746.00)	(156,753.00)	98.89 %
This is the income margin that measures the result for the year, considering ancillary, financial and extraordinary items (but excluding financial charges).			

Information pursuant to Art. 2428 of the Italian Civil Code

The information specifically required by Art. 2428 of the Italian Civil Code is analysed in further detail below.

Main risks and uncertainties to which the company is exposed

Pursuant to the first paragraph of Art. 2428 (1) of the Italian Civil Code, it is certified that the company is not exposed to particular risks and/or uncertainties.
Labrenta's governance model and corporate policies are geared towards risk control, the management of which hinges on the prevention of phenomena, accompanied by the use of tools capable of reducing the probability of occurrence of risky events and limiting negative impacts on the company.
Risks can be classified into operational and financial risks according to the source of the risk, and into internal and external sources, depending on whether risks are inherent in the characteristics and structure of the company's internal management processes or derive from external circumstances.
Country risk
The company does not operate in geographical areas that could give rise to risks (of a macro-economic, market or social nature) that might have a negative effect on its income, cash flows or assets.
The company adopts procedures for verifying the availability and certainty of payment resources before taking orders from new customers.
Credit risk
Credit risk represents the Company's exposure to potential losses as a result of non-fulfilment of commercial and financial obligations by its counterparties.
In order to limit exposure to credit risk, the control of credit risks is also reinforced by periodic monitoring procedures, based on external databases, in order to identify any countermeasures in a timely manner.
Financial risks

With regard to financial risks and the policies for managing these risks, the company's objectives and policies exclude financial transactions of a speculative nature. The financial instruments used are cash, financial assets and liabilities. No derivative financial instruments were used during the year.

Liquidity risk

Liquidity risk is the risk that available financial resources will not be sufficient to meet commitments arising from financial liabilities in a timely manner.

The company continuously monitors its financial position in the medium to long term, due in part to the implementation of special software for managing treasury commitments.

Interest-rate risk

Interest rate risks mainly refer to the risk of fluctuations in the interest rate on medium-to-long-term financial debt, and thus to the extent of the related financial expenses. The financial management of the company is subject to particular interest rate risks to the extent of the existing economic environment, but to a limited extent in view of the particularly favourable spreads obtained when negotiating with banks and leasing companies and the macroeconomic forecasts on their development. It should be noted that financial expenses for the year amounted to Euro 226,055, equal to 4% of the compressed bank debt as at 31 December 2023.

Foreign exchange risk

The exposure to exchange rate risk is limited, as there are no major foreign currency exposures; moreover, no foreign currency current accounts are held.

Operational risk

The exposure to operational risk arises from the regulatory complexity of the company's and the Group's supply chain. The Company assesses the monitoring of this risk periodically also in relation to inspections and communications it receives from supervisory bodies. As at the reporting date, there is a provision for risks to reflect any liabilities arising from alleged aspects of non-compliance with the relevant regulations.

Main non-financial indicators

Pursuant to Art. 2428 (2) of the Italian Civil Code, it is certified that presentation of non-financial indicators is not deemed material to the specific business conducted or relevant to a better understanding of the company’s situation, performance and operating result.

Information on the environment

Environmental objectives and policies are well understood and integrated into the company's production processes. The fact that we produce mainly plastic products puts us in a position to always have a greater environmental responsibility. The measures taken by the Company and the improvements made to its business activities are realised by joining and supporting the project conducted by the company Mixcycling, which develops and produces bio-composite products containing a percentage (from 10% to 70%) of natural fibre, mixed with a base of virgin, recycled or bio-based polymers. Raw materials that are currently used in our production. In relation to atmospheric emissions, all the provisions of Legislative Decree No. 152/2006 and its subsequent additions and amendments are followed. In particular, all the filtration and aspiration systems and their atmospheric emission points (three chimneys present) are adequate from the point of view of construction and installation in accordance with the regulations in force.

Atmospheric emissions authorisation was obtained from the Province of Vicenza (Single Environmental Authorisation No. 199/2022, Provincial Register 258/2022 of 21.11.2022). The plant does not generate greenhouse gas emissions within the meaning of Law No. 316/2004. With regard to the discharge of waste water deriving from the industrial process pursuant to Legislative Decree No. 152/2006 and its subsequent additions and amendments, the company uses qualified external suppliers for both transport and disposal. As far as the disposal of industrial waste is concerned, the company follows the procedures laid down in the legislation in force, using qualified external suppliers for both transport and disposal. The company also complied with the law on ADR.

Information on personnel management

In the interest of a better understanding of the company’s situation and operating performance, some information regarding personnel management is provided below. During the year, executives, white-collar and blue-collar workers and apprentices were hired, reaching a total headcount of 106 persons as at 31.12.23. The decrease in the headcount as at 31.12.2023 compared to the previous year is attributable to normal labour market turnover.

Research and development activity

Pursuant to and for the purposes of point 1) of the third paragraph of Art. 2428 of the Italian Civil Code, it is hereby certified that research and development activities were carried out during the year, and, specifically, the Company continued the pre-competitive activities of an innovative nature begun in 2021 and focused its efforts on the following innovative project: Study, design and prototyping of new caps and bottles with innovative technology. Labrenta was also selected as the leader of the European GREEN-LOOP project, whose main objective is the design and optimisation of three innovative materials and bio-based components (bioplastic, bio-rubber and wood composite) for the industrial sector with a view to the circular economy, energy efficiency and sustainable value chain.

Relations with subsidiaries, associates and parent companies and companies controlled by parent companies

Pursuant to Art. 2428 (3) (2) of the Italian Civil Code, it is reported that the company holds the equity investments disclosed in the notes, to which the reader is referred for further information. Labrenta engaged in financial and commercial relations with the parent company and group companies. Financial relations concerned the US company, with which there is an outstanding financial receivable of Euro 298,3643 (converted at the exchange rate of 31.12.2023). The financing is interest-bearing. Commercial transactions were conducted with the group's operating companies in complementary sectors and mainly concerned the sale of goods. In particular, it should be noted that at the reporting date current dealings with such companies may be summarised as follows:

Current receivables from related companies

Description	2023	2022	Absolute change
From subsidiaries	1,322,883	1,621,943	299,060-
(impairment losses)	-800,000	-	-
From associates	-	44,478	44,478-
From parent companies	-	25,101	25,101-
Total	*522,883*	*1,691,522*	*1,168,639-*

Accounts and financing payable to related companies

Description	2023	2022	Absolute change
Due to subsidiaries	219,790	-	219,790
Due to parent companies	2,586,922	168,012	2,418,910
Total	*2,806,712*	*168,012*	*2,638,700*

Business outlook

The economy is expected to accelerate slightly in 2024 compared to 2023, with gradual strengthening due to lower inflation and accelerating foreign demand. These forecasts are based on the assumption of full implementation of the NRRP investment programmes, as well as the gradual easing of the ECB's restrictive monetary policy cycle adopted starting in summer 2022. The economic outlook described above is exposed to multiple risks that are mainly external in nature, as they stem from international factors, such as ongoing conflicts, monetary policy and critical environmental and social issues.
Pursuant to and for the purposes of art. 2428 (3) (6) of the Italian Civil Code, the company has to all intents and purposes become part of the business of GUALA CLOSURES SPA as it ceased to exist as a result of the aforementioned merger transaction that took effect on 01.01.2024. However, it should be noted that the results of the first months of the current year are in line with what was envisaged in the budget for the year 2024 and confirm the positive prospects of continued growth of the specific area of the company even compared to the trend recorded during the financial year just closed.

Use of financial instruments relevant to the assessment of financial position and financial performance

Pursuant to Art. 2428 (3) (6-*bis*) of the Italian Civil Code, it is certified that the Company has not implemented particular financial risk management policies, inasmuch as the manifestation of such risks is not deemed relevant to our Company.

Conclusions

Members, in the light of the remarks presented in the foregoing points and the disclosures presented in the notes, we invite you:

- to approve the financial statements at and for the year ended 31/12/2023, together with the notes and this report accompanying them;
- to allocate the result for the year as proposed in the notes.

General information on the company

Company details

Name:	GUALA CLOSURES SPA formerly LABRENTA SRL
Office:	VIA DELL'INNOVAZIONE 2, BREGANZE VI
Share capital:	500,000.00
Share capital fully paid-up:	yes
Chamber of Commerce code:	
VAT number:	02454560240
Tax ID:	02454560240
Economic and Administrative Index no.:	VI 232540
Legal form:	Limited-liability company
Primary business sector (ATECO code):	222200
In liquidation:	no
Single-member company:	no
Subject to management and coordination by another entity:	yes
Name of company or entity that exercises management and coordination:	Guala Closures SpA
Part of a group:	yes
Name of parent company:	Guala Closures SpA
Country of parent company:	ITALY
Registration number in register of cooperative companies:	

Financial statements as at 31/12/2023

Ordinary balance sheet

	31/12/2023	31/12/2022
Assets		
B) Non-current assets		

	31/12/2023	31/12/2022
I - Intangible assets	-	-
1) Start-up and expansion costs	741	1,026
3) Patents and intellectual property rights	380,908	420,253
4) Concessions, licences, trademarks and similar rights	355,168	352,611
5) Goodwill	43,402	48,828
7) Other	139,795	81,847
Total intangible assets	*920,014*	*904,565*
II - Property, plant and equipment	-	-
1) Land and buildings	14,996	14,212
2) Plant and machinery	4,287,901	3,380,321
3) Industrial and commercial equipment	524,416	416,097
4) Other assets	98,175	121,755
Total property, plant and equipment	*4,925,488*	*3,932,385*
III - Long-term investments	-	-
1) Equity interests in	-	-
a) Subsidiaries	2,350,000	651,852
d-*bis*) Other companies	11,096	11,096
Total equity interests	*2,361,096*	*662,948*
Total long-term investments	*2,361,096*	*662,948*
Total non-current assets (B)	*8,206,598*	*5,499,898*
C) Current assets		
I - Inventories	-	-
1) Raw materials and consumables	659,070	822,707
2) Work in progress and semifinished goods	267,061	628,947
4) Finished products and goods	578,489	1,141,754
5) Payments on account	-	11,686
Total inventories	*1,504,620*	*2,605,094*
II - Accounts receivable	-	-
1) Trade receivables	4,344,680	4,532,756
Due within one year	4,344,680	4,532,756
2) Due from subsidiaries	522,883	1,621,943
Due within one year	522,883	1,621,943
3) Due from associates	-	44,478
Due within one year	-	44,478

	31/12/2023	31/12/2022
4) Due from parent companies	-	25,101
Due within one year	-	25,101
5-*bis*) Tax receivable	1,510,091	1,538,129
Due within one year	1,208,376	966,386
Due beyond one year	301,715	571,743
5-*ter*) Deferred tax assets	170,157	303,661
5-*quater*) Due from others	515,648	3,026,293
Due within one year	515,648	676,293
Due beyond one year	-	2,350,000
Total accounts receivable	*7,063,459*	*11,092,361*
IV - Cash and cash equivalents	-	-
1) Bank and postal deposits	1,568,640	1,085,419
3) Cash and notes at hand	1,163	848
Total cash and cash equivalents	*1,569,803*	*1,086,267*
Total current assets (C)	*10,137,882*	*14,783,722*
D) Accrued income and prepaid expenses	**317,548**	**299,629**
Total assets	*18,662,028*	*20,583,249*
Liabilities and equity		
A) Equity	**3,424,916**	**3,769,126**
I - Capital	500,000	500,000
III - Revaluation reserves	873,000	873,000
IV - Legal reserve	100,000	100,000
VI - Other reserves, separately presented	-	-
Extraordinary reserve	2,183,767	2,900,947
Unrealised foreign exchange gain reserve	2,361	2,361
Sundry other reserves	110,001	109,998
Total other reserves	*2,296,129*	*3,013,306*
IX - Profit (loss) for the year	(344,213)	(717,180)
Total equity	3,424,916	3,769,126
B) Provisions for risks and charges		
1) Pension liabilities and similar obligations	10,403	27,960
4) Other	490,501	1,820,507
Total provisions for risks and charges	*500,904*	*1,848,467*
C) Provision for employee termination indemnities	**591,692**	**560,462**

	31/12/2023	31/12/2022
D) Accounts payable		
4) Due to banks	5,474,078	6,238,244
Due within one year	2,574,637	2,121,564
Due beyond one year	2,899,441	4,116,680
6) Payments on account	131,478	399,649
Due within one year	131,478	399,649
7) Trade payables	2,596,441	4,113,496
Due within one year	2,596,441	4,113,496
9) Due to subsidiaries	219,790	-
Due within one year	219,790	-
11) Due to parent companies	2,586,922	168,012
Due within one year	2,586,922	168,012
12) Tax payable	640,235	566,886
Due within one year	640,235	566,886
13) Due to social-security agencies	167,010	213,320
Due within one year	167,010	213,320
14) Other accounts payable	651,103	971,084
Due within one year	651,103	971,084
Total accounts payable	*12,467,057*	*12,670,691*
E) Accrued expenses and deferred income	**1,677,459**	**1,734,503**
Total liabilities	*18,662,028*	*20,583,249*

Ordinary income statement

	31/12/2023	31/12/2022
A) Value of production		
1) Sale and service revenues	18,918,084	23,132,916
2) Changes in inventories of work in progress, semifinished products and finished goods	(925,151)	462,803
5) Other revenues and income	-	-
Grants towards operating expenses	84,593	27,899
Other	578,646	716,993

	31/12/2023	31/12/2022
Total other revenues and income	*663,239*	*744,892*
Total value of production	*18,656,172*	*24,340,611*
B) Costs of production		
6) Raw materials, consumables and goods for resale	6,086,335	8,453,160
7) Services	3,624,296	4,892,896
8) Rental, lease and hire	1,230,313	1,052,290
9) Personnel	-	-
a) Wages and salaries	4,440,472	5,093,102
b) Contributions	1,093,947	1,155,399
c) Post-employment benefits	234,056	245,034
e) Other costs	37,193	33,327
Total personnel costs	*5,805,668*	*6,526,862*
10) Depreciation, amortisation and impairment	-	-
a) Amortisation	173,708	166,459
b) Depreciation	522,351	595,497
d) Impairment of current receivables and cash and equivalents	827,323	29,892
Total depreciation, amortisation and impairment	*1,523,382*	*791,848*
11) Changes in inventories of raw materials, consumables and goods for resale	163,637	190,608
12) Provisions for risks	-	1,786,207
14) Other operating costs	131,709	220,539
Total costs of production	*18,565,340*	*23,914,410*
Difference between value and costs of production (A - B)	**90,832**	**426,201**
C) Financial income and expenses		
15) Income from equity interests	-	-
From subsidiaries	242,618	-
Total income from equity interests	*242,618*	*-*
16) Other financial income	-	-
a) From non-current receivables	-	-
From subsidiaries	4,357	8,686
Total financial income on loans classified as non-current assets	*4,357*	*8,686*
d) Income other than the above	-	-
Other	2,800	5,906
Total income other than the above	*2,800*	*5,906*
Total other financial income	*7,157*	*14,592*

	31/12/2023	31/12/2022
17) Interest and other financial expenses	-	-
Other	249,802	104,938
Total interest and other financial expenses	*249,802*	*104,938*
17-*bis*) Foreign exchange gains and losses	(48,308)	(8,664)
Total financial income and expenses (15+16-17+-17-bis)	*(48,335)*	*(99,010)*
D) Value adjustments to financial assets and liabilities		
19) Impairment losses	-	-
a) Of equity interests	294,045	588,882
Total impairment losses	*294,045*	*588,882*
Total value adjustments to financial assets and liabilities (18-19)	*(294,045)*	*(588,882)*
Profit (loss) before tax (A-B+-C+-D)	**(251,548)**	**(261,691)**
20) Income tax for the year, current, deferred and prepaid		
Current tax	105,801	728,082
Prior-year taxes	(146,640)	-
Deferred and prepaid tax	133,504	(272,593)
Total income taxes for the year, current, deferred and prepaid	*92,665*	*455,489*
21) Profit (loss) for the year	**(344,213)**	**(717,180)**

Statement of cash flows - indirect method

	Amount as at 31/12/2023	Amount as at 31/12/2022
A) Cash provided by / (used in) operating activity (indirect method)		
Profit (loss) for the year	(344,213)	(717,180)
Income taxes	92,665	455,489
Interest expense/(income)	242,645	90,346
(Capital gains)/capital losses on the disposal of assets	(337,728)	
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal	*(346,631)*	*(171,345)*
Adjustments for non-monetary elements without a balancing entry to net working capital		
Accruals to provisions	1,063,822	2,002,608
Depreciation and amortisation	696,059	761,956
Impairment losses	294,045	588,882
Other upwards/(downwards) adjustments for non-monetary elements		19,002
Total adjustments for non-monetary elements without a balancing entry to net working capital	*2,053,926*	*3,372,448*
2) Cash flow before changes in net working capital	*1,707,295*	*3,201,103*
Changes in net working capital		
Decrease/(increase) in inventories	1,259,912	(216,578)
Decrease/(increase) in trade receivables	160,753	(569,835)
Increase/(decrease) in trade payables	(1,517,055)	374,147
Decrease/(increase) in prepaid expenses and accrued income	(17,919)	33,193
Increase/(decrease) in accrued expenses and deferred income	(57,044)	630,813
Other decreases/(Other increases) in net working capital	5,845,729	(856,756)
Total changes in net working capital	*5,674,376*	*(605,016)*
3) Cash flow after changes in net working capital	*7,381,671*	*2,596,087*
Other adjustments		
Interest collected/(paid)	(242,645)	(90,346)
(Income tax paid)	(819,979)	(450,217)
(Use of provisions)	(1,712,270)	(567)
Other collections/(payments)		(97,981)
Total other adjustments	*(2,774,894)*	*(639,111)*
Cash provided by / (used in) operating activity (A)	***4,606,777***	***1,956,976***
B) Cash provided by / (used in) investing activity		
Property, plant and equipment		

	Amount as at 31/12/2023	Amount as at 31/12/2022
(Investments)	(1,570,834)	(2,663,551)
Disinvestments	150,490	77,356
Intangible assets		
(Investments)	(189,157)	(138,409)
Long-term investments		
(Investments)	(2,369,035)	(732,105)
Disinvestments	619,460	
Current financial assets		
Disinvestments		(2,350,060)
(Acquisition of business units net of cash and cash equivalents)		(10,000)
Cash provided by / (used in) investing activity (B)	***(3,359,076)***	***(5,816,769)***
C) Cash provided by / (used in) financing activity		
Debt		
Increase /(decrease) in short-term payables to banks	496,682	594,767
Contracting of loans		4,046,800
(Repayment of loans)	(1,260,847)	(535,716)
Cash provided by / (used in) financing activity (C)	***(764,165)***	***4,105,851***
Increase (decrease) in cash and cash equivalents (A ± B ± C)	***483,536***	***246,058***
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	1,085,419	837,688
Cash at hand	848	2,521
Total cash and cash equivalents at the beginning of the year	1,086,267	840,209
Cash and cash equivalents at the end of the year		
Bank and postal deposits	1,568,640	1,085,419
Cash at hand	1,163	848
Total cash and cash equivalents at the end of the year	1,569,803	1,086,267
Rounding difference		

Notes: Part I

Members,
These notes are an integral part of the financial statements at and for the year ended 31/12/2023.

The merger by absorption took effect on 1.1.2024, with LABRENTA SRL merged into GUALA CLOSURE SPA.
These financial statements have been prepared in accordance with Articles 2423 *et seq*. of the Italian Civil Code and Italian GAAP as published by the Italian accounting standard setter (OIC). Accordingly, they provide a clear, truthful and accurate representation of the Company's financial performance and financial position for the year.
The content of the balance sheet and income statement is compliant with Articles 2424 and 2425 of the Italian Civil Code, whereas the statement of cash flows has been prepared in accordance with Article 2425-*ter*.
These notes, which have been drawn up in accordance with Article 2427 of the Italian Civil Code, also contain all information helpful to permitting an accurate interpretation of the financial statements.

Basis of preparation

Preparation of the financial statements

The information contained in this document is provided in the order in which the items are presented in the balance sheet and income statement.
In reference to the indication provided in the introduction to these notes, it is hereby certified that, in accordance with Article 2423(3) of the Italian Civil Code, where the information required by specific provisions of law is not sufficient to provide a truthful, accurate representation of the Company's situation, the supplementary information deemed necessary to this end has been supplied.

The financial statements, like these notes, have been prepared in euro.

Accounting policies

In order to prepare the financial statements clearly and to provide a true and fair view of the financial situation and results of operations in accordance with Article 2423-bis of the Italian Civil Code, the following was done:
· individual items were measured according to prudence and on a going-concern basis;
· only profits actually realised during the financial year were included;
· income and expenses were determined on an accrual basis, irrespective of
financial manifestation;
· all risks and losses accrued, even if they became known after the end of the financial year, have been included;
· heterogeneous elements included in the various items of the financial statements have been considered separately for measurement purposes;
· the measurement criteria from the previous year have been kept unchanged.
The following financial reporting provisions of OIC 11(15) have also been observed:
a) prudence;
b) going-concern basis;
c) substantive representation;
d) accrual basis;
e) consistency in measurement criteria;
f) relevance;
g) comparability.

Going-concern basis

Items in the financial statements were measured on a going-concern basis, and therefore taking into account the fact that the company constitutes a functioning economic complex, destined to produce income, at least for a foreseeable future period of time (12 months from the closing date of the financial statements).
No uncertainties emerged from the forward-looking assessment of the going-concern principle. In fact, activities during the year and financial projections for the coming years call for rapid growth.
As already mentioned in the introduction, the merger by incorporation took effect on 01.01.2024, which led to the extinction of LABRENTA SRL, as it was merged into GUALA CLOSURE SPA.

Form and content of the financial statements

The balance sheet, income statement, statement of cash flows and accounting information included in these notes are consistent with the accounting records, from which they have been directly drawn.
In the layout of the balance sheet and income statement, items preceded by Arabic numerals have not been grouped together, as optionally permitted under Article 2423-ter of the Italian Civil Code.
Pursuant to Art. 2424 of the Italian Civil Code, there are no components of assets or liabilities that fall under multiple items of the balance sheet.

Exceptional cases pursuant to Article 2423 (5) of the Italian Civil Code

There were no exceptional cases requiring derogations pursuant to Article 2423 (4) and (5) of the Italian Civil Code.

Changes to accounting standards

There were no exceptional circumstances requiring derogations pursuant to Article 2423 (2) of the Italian Civil Code.

Correction of material misstatements

No material misstatements from previous years came to light during the year.

Comparability and adaptation issues

Pursuant to Article 2423-ter of the Italian Civil Code, all line items are comparable with the previous year. Accordingly, there was no need to adapt any items from the previous year.

Measurement criteria

The criteria applied in measuring line items and value adjustments are consistent with the Italian Civil Code and the accounting standards issued by the Italian accounting standard-setter (OIC). Moreover, such criteria have not changed compared to the previous year.
Pursuant to Art. 2427(1)(1) of the Italian Civil Code, the following is an account of the most significant measurement criteria adopted in accordance with Art. 2426 of the Italian Civil Code, with particular regard to those line items for which the law allows various measurement and adjustment criteria or for which specific criteria have not been established.
Carrying amounts expressed in foreign currencies have been recognised by translating them into euro at the exchange rate in effect when they are recognised, or at the exchange rate at the end of the company's financial year, in accordance with accounting standard OIC 26.

Intangible assets

Intangible assets are recognised, to the extent of their recoverable value, at purchase or internal production cost, including all directly attributable accessory charges, and are systematically amortised on a straight-line basis in relation to the residual possibility of use of the asset.
In particular, start-up and expansion costs derive from the capitalisation of charges relating to the start-up or expansion of operating capacity and are amortised over five years.
Development costs arise from the application of the results of basic research or other knowledge owned or acquired, prior to the commencement of commercial production or use, and are amortised over their useful lives.
Industrial patents and intellectual property rights are amortised over their presumed period of use, which may not exceed the period fixed by licence agreements.
Assets in progress include intangible assets in progress. Such costs remain under this item until ownership of the right is acquired or the project is completed. When these conditions are met, the corresponding values are reclassified to intangible assets. Assets in progress are not amortised or depreciated.
Assets whose value at the closing date of the financial year is permanently lower than the residual cost to be amortised are recognised at this lower value; this value is not maintained if the reasons for the adjustment cease to apply in subsequent years.

Revaluation per Law 126/2020 and Law 178/2020, para. 83
In 2020 the company took advantage of the option provided for by Law 126/2020, which also extended revaluation to intangible assets without legal autonomy, such as goodwill and other deferred charges; the company revalued its company brand and some patents. The recognised values do not exceed the values actually attributable to the assets

with regard to their scope, their production capacity, actual economic possibility of use in the business (value in use) or current values and prices recorded on regulated markets (market value).
The revaluation was accounted for in the following manner *B) Revaluation of historical cost only*
The revaluation was recognised in the specific item of equity “Revaluation reserve pursuant to Law 126/2020”, net of revaluation tax.

Additional financing costs
Where applicable, the company uses the amortised cost criterion rather than the deferral technique. Costs related to financing incurred prior to 2016 continue to be carried under “Other” in intangible assets and amortised in accordance with the previous accounting standard.

Property, plant and equipment

Property, plant and equipment are recognised at the date of transfer of the risks and rewards of ownership of the acquired assets. Such assets are measured, up to their recoverable amount, at purchase or production cost, less accumulated depreciation, including all directly attributable incidental costs and expenses, indirect costs relating to internal production and charges relating to the financing of internal production incurred during the period of manufacture and until the asset is ready for use.
Pursuant to OIC 26 (33), acquisitions with deferred payment are all undertaken at arm’s-length conditions.
Costs incurred on existing assets for expansion, modernisation and improvement of structural elements, as well as those incurred to increase their fitness for the purposes for which they were acquired or for extraordinary maintenance, in accordance with the provisions of OIC 16 (49) to (53), have only been capitalised where there is a significant, measurable increase in production capacity or useful life.
For such assets, depreciation has been applied on a unitary basis on the new carrying amount taking into account the remaining useful life.
For property, plant and equipment consisting of a group of interrelated assets, in accordance with the provisions of OIC 16 (45) and (46), the values of the individual assets were determined in order to identify their different useful lives.
Property, plant and equipment if acquired free of charge, in accordance with the provisions of OIC 16 (47) and (48), are recognised at market value, with a balancing entry to item “A.5 Other revenues and income” of the income statement.
Financial expenses are capitalised in accordance with the provisions of OIC 16 (41) to (44), considering that:
· these are charges actually incurred and objectively determinable and within the limit of the recoverable amount of the relevant assets;
· the capitalised charges do not exceed the financial expenses, net of the temporary investment of borrowed funds, attributable to the realisation of the asset and incurred during the year;
· the financial expenses on generically borrowed funds have been capitalised to the extent of the proportion attributable to assets in progress;
· capitalised charges refer exclusively to assets with a significant construction period.
The cost of assets with a finite useful life is systematically depreciated in each financial year on the basis of economic and technical rates determined in relation to the residual possibility of use.
All assets, including those temporarily not in use, have been depreciated, with the exception of those with an indefinite useful life, such as land, investment property and works of art.
In accordance with OIC 16 (60), where the value of buildings also incorporates the value of the land on which they stand, the value of the building has been separated.
Depreciation begins when the assets are available and ready for use.

Rates reflecting technical depreciation schedules have been applied, as confirmed by the various companies and reduced by 50% for items acquired during the financial year, for which the conditions of OIC 16 (61) have been met.
In accordance with OIC 16 (70), depreciation schedules are revised when there is a change in the residual possibility of
use.
Obsolete assets and assets that will no longer be used or usable in the production cycle, on the basis of OIC 16 (80), have not been depreciated and are measured at the lower of net carrying amount and recoverable amount.
Assets in progress include tangible assets in progress. Such costs remain under this item until ownership of the right is acquired or the project is completed. When these conditions are met, the corresponding values are reclassified to the items of property, plant and equipment.
Assets in progress are not amortised or depreciated.
The rates applied are specified below:
Plant and machinery: 15%
Industrial and commercial equipment: 15%
Other assets:

- light constructions: 10%
- furniture and furnishings: 12%
- electronic office machines: 20%
- other office machines: 20%
- motor vehicles and cars: 20%/25%

Intangible assets are measured at purchase cost, including ancillary costs, and are amortised within the applicable legal or contractual limit.
If, regardless of the depreciation already accounted for, an impairment lasting loss results, the fixed asset is devaluated accordingly. If, in subsequent years, the reasons for the devaluation no longer apply, the original value is reinstated, adjusted only for depreciation.

Public grants

Grants from the State towards plant have been recognised, in accordance with OIC 16 (87), as they have substantially been acquired on a definitive basis.
They have been measured by applying the indirect method and therefore recognised in the income statement item "A5 other revenues and income" and deferred on an accrual basis to subsequent years, through the recognition of the grant in a specific item of deferred income.
Grants towards operating expenses have been accounted for among income components.

Additional financing costs

Where applicable, the company uses the amortised cost criterion rather than the deferral technique. For payables that have arisen since 2016 in connection with previous loans, they continue to be carried under "Other" in intangible assets and amortised in accordance with the previous accounting standard.

Assets with deferred payment with respect to arm's-length conditions

The company applies the amortised cost criterion exclusively to payables that have arisen since 2016. Therefore, assets acquired in previous years continue to be accounted for on the basis of the previous accounting standard.

Finance lease transactions

Finance leases are recognised, in accordance with current legislation, on the basis of the “equity method”, whereby the accrued lease payments are recognised in the income statement.
The adoption of the “financial method” would have entailed the recognition in the income statement, instead of lease payments, of depreciation of the value of the leased assets, commensurate with the duration of use, and interest on the residual principal financed, in addition to the recognition of the items as assets and the residual amount payable as liabilities.
The specific section of the notes to the financial statements provides information related to the effects of the “financial method”.

Long-term investments

Equity interests
Equity interests are classified as either long-term investments or current assets on the basis of their intended use.
Initial recognition is at purchase or acquisition cost, including ancillary costs.

Long-term equity interests
Listed and unlisted long-term equity interests have been measured by attributing the cost specifically incurred to each investment.
Pursuant to Art. 2426 (3) of the Italian Civil Code, cost has been adjusted in the presence of impairment losses, defined and determined on the basis of OIC 21 (31) to (41).
Any devaluation is then eliminated if the conditions that led to their recognition are no longer met.

Investment securities
Investment debt securities, both listed and unlisted, have been measured security by security, attributing the cost specifically incurred to each security.
Pursuant to Art. 2426 (1) (1) of the Italian Civil Code, they are recognised according to the amortised cost criterion, where applicable, with the exception, pursuant to Art.
2423 (4) of the Italian Civil Code, of securities with immaterial transaction costs and other differences between initial value and maturity value.
Pursuant to Art. 2426 (1) (3) of the Italian Civil Code, cost has been adjusted in the presence of impairment losses, defined and determined on the basis of OIC 20 (55) to (57).
Any devaluation is then eliminated if the conditions that led to their recognition are no longer met.

Inventories

Inventories are recognised at the date on which the risks and rewards of ownership of the acquired assets are transferred and are measured at the lower of purchase cost, including all directly attributable ancillary costs and charges and indirect costs of internal production, and estimated realisable value based on market trends.
Pursuant to OIC 13 (22), acquisitions with deferred payment on terms not at arm’s length are recognised at the value corresponding to the amount payable determined in accordance with OIC 19. No acquisitions with conditions not at arm's length have been recognised.
Goods identified and classified as "non-moving", or with slow turnover, are written down in order to align the values previously recognised with the market value, due to technical, physical and economic obsolescence.

Specifically:
Raw materials are measured by applying weighted average cost;
Semi-finished products are measured by adding standard industrial processing costs (labour/machine cost/employee cost/outside processing) to the raw material, depending on the type of work and production process;
Finished products are measured by applying the previous criteria, at the stage of production when the product is finished.
Goods (finished goods purchased for resale) are measured at weighted average cost.

Current accounts receivable

Receivables are classified as either non-current or current assets on the basis of the intended use/origin of the assets with respect to ordinary business and are measured at their estimated realisable value.

Amounts due within and beyond one year are broken down by the contractual or legal due date, also considering facts and events that may lead to a change in the original due date, the debtor's realistic ability to fulfil the obligation within the contractual terms and the time horizon in which the receivable is reasonably expected to be collected.
Pursuant to Art. 2426 (1)(8) of the Italian Civil Code, accounts receivable are recognised at amortised cost, with the exception of receivables for which the effects of applying amortised cost, pursuant to Art. 2423 (4) of the Italian Civil Code, are immaterial (due in less than 12 months and negligible transaction costs).
Owing to the aforementioned materiality principle, receivables have not been discounted if the interest rate based on the contractual terms does not differ significantly from the market interest rate.
Receivables for which the amortised cost criterion has not been applied have been recognised at their estimated realisable value.
Receivables are presented in the financial statements net of the recognition of a provision for bad debts to cover receivables considered uncollectable, as well as the generic risk relating to the remaining receivables, based on estimates made on the basis of past experience, the trend of past-due receivables, the general economic situation, sector and country risk indices, as well as events occurring after the end of the financial year that have an impact on the values at the date of the financial statements.

Tax receivable and deferred tax assets
The item "Tax receivable" includes certain and determined amounts arising from credits for which a right of realisation has arisen through refund or offsetting.
The item "Deferred tax assets" includes deferred tax assets determined on the basis of deductible temporary differences or tax losses carried forward, applying the estimated rate in effect at the time these differences are expected to reverse.

Cash and cash equivalents

Cash and cash equivalents are measured according to the following criteria:

- Cash: at nominal value;
- Bank deposits and cheques: at estimated realisable value. In this case, realisable value coincides with nominal value.

Accrued income and prepaid expenses

Accrued income and prepaid expenses have been recognised on an accrual basis and refer to revenues/costs accrued during the financial year and due in subsequent years and revenues/costs incurred before the end of the financial year but set to accrue in subsequent years.
Accordingly, only portions of costs and revenue of common to two or more years, the amount of which varies as a function of time, are recognised.
At year-end, it was verified that the conditions that gave rise to initial recognition had been met, and any necessary value adjustments were made, taking into account not only the time element but also any recoverability.
Accrued income, which is comparable to accounts receivable from operations, was measured at its estimated realisable value, with an impairment loss in the income statement if this value was lower than the carrying amount.
Accrued expenses similar to payables have been measured at nominal value.
In the case of prepaid expenses, the future economic benefit related to the deferred costs has been assessed, adjusting the value if this benefit is lower than the deferred portion.

Equity

The items have been presented in the financial statements at their carrying amounts, according to the provisions of accounting standard OIC 28.

Provisions for risks and charges

Provisions for risks and charges have been allocated to cover liabilities the existence of which has been deemed certain or probable, but the amount or date of occurrence of which could not be determined at year-end.
The provisions have been allocated according to the principles of prudence and accruals basis accounting, in accordance with the prescriptions of accounting standard OIC 31. The related provisions have been recognised in the income statement in the year of accrual, on the basis of the criterion of the classification of costs “by nature”.

Employee termination indemnities

Pursuant to Art. 2120 of the Italian Civil Code, employee termination indemnities have been calculated in accordance with laws and the specific characteristics of the contracts and professional categories concerned, and include the annual amounts accrued and adjustments for inflation according to ISTAT coefficients.
The amount of the provision is stated net of the advances disbursed and the amounts used in cases of termination during the year and represents the known amount due to salaried employees at the reporting date.

Accounts payable

Pursuant to Art. 2426 (1)(8) of the Italian Civil Code, accounts payable are recognised at amortised cost, with the exception of accounts payable for which the effects of applying amortised cost, pursuant to Art. 2423 (4) of the Italian Civil Code, are immaterial (due in less than 12 months and negligible transaction). Owing to the aforementioned materiality principle, accounts payable have not been discounted if the interest rate based on the contractual terms does not differ significantly from the market interest rate.

Account was also taken of the time factor pursuant to Art. 2426 (1) (8), discounting accounts payable beyond 12 months in the event of a significant difference between the effective interest rate and the market rate.
Accounts payable for which the amortised cost criterion has not been applied have been recognised at their nominal value.
Amounts due within and beyond one year are broken down by the contractual or legal due date, also considering facts and events that may lead to a change in the original due date.
Payables originating from the purchase of goods are recognized when the risks, charges and benefits are transferred; those relating to services are recognised when the service is rendered; financial and other payables are recognized when the obligation to the counterparty arises.
Tax payable includes liabilities for certain, determined taxes, as well as withholding taxes withheld but not yet paid at the balance sheet date, and, where offsetting is permitted, are recorded net of advances, withholding taxes and tax credits.

Accrued expenses and deferred income

i Accrued expenses and deferred income have been calculated according to the principles of accrual basis accounting, by allocating costs and/or revenues common to two years.

Value of production

Revenues are recognised on an accrual basis, net of returns, allowances, discounts and bonuses, in addition to the taxes directly associated with them. Revenues on the sale of goods are recognised when title is transferred substantially and not formally, with the criterion for substantial transfer being the transfer of the risks and benefits.
Revenues on the provision of services are recognised when the service is rendered, i.e. when it has been provided; in particular, revenues on ongoing services are recognised to the extent accrued.
Grants towards operating expenses, recognised on an accrual basis in the year in which the right to receive them is acquired with certainty, are reported in the specific item A5 as an increase in core business revenues and/or a decrease in core business operating expenses.

Costs of production

Costs and expenses are recognised on an accrual basis and by nature, net of returns, allowances, discounts and premiums, on the basis of the principle of correlation with revenues, and booked to the appropriate items in accordance with the accounting standard OIC 12.
The costs of goods purchased are recognised when title is transferred substantially and not formally, with the criterion for substantial transfer being the transfer of the risks and benefits. In the case of the purchase of services, the related costs are recognised when the service is received, i.e. when it has been concluded, whereas the costs of ongoing services are recognised to the extent accrued.

Other information

Transactions with a forward resale obligation

Pursuant to Art. 2427 (6-*ter*) of the Italian Civil Code, it is certified that the company did not undertake any transactions with a forward resale obligation during the year.

Notes: Assets

A detailed analysis of the changes in the individual items of the financial statements is provided below in accordance with applicable legislation.

Non-current assets

Intangible assets

Changes in intangible assets

Intangible assets amounted to Euro 920,014 after the recognition of the amortisation charges for the year of Euro 173,708 in the income statement.
The changes in the intangible assets concerned are shown in the table.

Revaluation
In 2020 Scocità revalued three patents (Sughera, ID Corck and Et voilà) and the Labrenta company trademark. The estimated values are based on from the report by Theodore Bottiglioni.
Pursuant to accounting standard OIC 16, the amount of the revaluation, gross of amortisation, totalled Euro 900,000, and the effect on equity was Euro 873,000, due to the recognition of the substitute tax payable for the recognition of the revaluation carried out, including for tax purposes.
Assets were revalued by revaluation of historical cost only.
The net value of the revalued assets presented in the balance sheet is certified not to exceed that which is justifiably attributable to the assets in relation to the company's production capacity and the possibility of use.

Revaluation summary

DESCRIPTION	HISTORICAL COST AT 31/12/2019	ACCUMULATED AMORTISATION AT 31/12/2019	CURRENT APPRAISED VALUE AS AT 31/12/2020	REVALUATION PER Law 126/2020	Method of REVALUATION

Patents	0	0	521,085	521,085	HISTORICAL COST
Brands	0	0	378,915	378,915	HISTORICAL COST
TOTALS	0	0	900,000	900,000	
TOTAL REVALUATION PER LAW 126/2020			900,000	390,581	
Substitute tax of 3%				-27,000	
REVALUATION RESERVE				873,000	

	Start-up and expansion costs	Development costs	Patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Other intangible assets	Total intangible assets
Opening value							
Cost	21,323	151,271	521,085	602,749	54,253	688,329	2,039,010
Amortisation charges (accumulated amortisation)	20,297	151,271	100,832	250,138	5,425	606,482	1,134,445
Carrying amount	1,026	-	420,253	352,611	48,828	81,847	904,565
Changes during the year							
Increases due to acquisitions	-	-	501	69,118	-	119,538	189,157
Amortisation for the year	285	-	39,846	66,561	5,426	61,590	173,708
Total changes	*(285)*	*-*	*(39,345)*	*2,557*	*(5,426)*	*57,948*	*15,449*
Closing value							
Cost	21,323	151,271	521,586	671,867	54,253	807,867	2,228,167
Amortisation charges (accumulated amortisation)	20,582	151,271	140,678	316,699	10,851	668,072	1,308,153
Carrying amount	741	-	380,908	355,168	43,402	139,795	920,014

Property, plant and equipment

Changes in property, plant and equipment

Property, plant and equipment, net of the relevant accumulated depreciation of Euro 4,352,835, stood at Euro 4,925,488.
The changes in the items of property, plant and equipment concerned are shown in the following table.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other property, plant and equipment	Total property, plant and equipment
Opening value					
Cost	17,343	6,558,744	1,087,408	509,297	8,172,792
Depreciation (accumulated depreciation)	3,131	3,178,423	671,311	387,542	4,240,407
Carrying amount	14,212	3,380,321	416,097	121,755	3,932,385
Changes during the year					
Increases due to acquisitions	2,400	1,444,543	157,751	28,086	1,632,780
Decreases due to sales and disposals (of book values)	-	96,462	3,099	17,765	117,326
Depreciation for the year	1,616	440,501	46,333	33,901	522,351
Total changes	*784*	*907,580*	*108,319*	*(23,580)*	*993,103*
Closing value					
Cost	19,743	7,617,634	1,203,825	437,121	9,278,323
Depreciation (accumulated depreciation)	4,747	3,329,733	679,409	338,946	4,352,835
Carrying amount	14,996	4,287,901	524,416	98,175	4,925,488

Increases in non-current assets mainly relate to plant, machinery and equipment; investments instrumental to supporting increased company production.
With reference to decreases as follows:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other property, plant and equipment	Total property, plant and equipment
Costo		385,653	41,334	100,262	527,249

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other property, plant and equipment	Total property, plant and equipment
Depreciation (accumulated depreciation)		-289,191	-38,235	-82,497	-409,923
Carrying amount		96,462	3,099	17,765	117,326

Finance lease transactions

The following table provides the disclosures required by law regarding the difference between the accounting treatment according to the financial method, in which the lessee recognises the asset on lease among non-current assets and calculates the related depreciation charges on it, while also recognising the principal amount payable under the lease. In this case, the interest and depreciation charges accrued during the year are recognised in the income statement.

	Amount
Total amount of assets on finance lease at the end of the year	2,133,089
Depreciation that would have accrued during the year	441,480
Present value of payments not yet due at year-end	1,531,948
Financial expenses accrued during the year at the effective interest rate	47,789

Long-term investments

Equity interests included in long-term investments amounted to Euro 2,361,096 (Euro 662,948 in the previous year).

Changes in non-current equity interests, other securities and derivative financial instruments with positive values

The following table presents the changes in the long-term investments concerned.

	Equity interests in subsidiaries	Equity interests in associates	Equity interests in other companies	Total equity interests
Opening value				
Cost	920,761	234,800	96,269	1,251,830
Impairment losses	268,909	234,800	85,173	588,882

	Equity interests in subsidiaries	Equity interests in associates	Equity interests in other companies	Total equity interests
Carrying amount	651,852	-	11,096	662,948
Changes during the year				
Increases due to acquisitions	2,350,000	19,035	-	2,369,035
Impairment losses for the year	275,010	19,035	-	294,045
Other changes	(376,842)	-	-	(376,842)
Total changes	1,698,148	-	-	1,698,148
Closing value				
Cost	2,893,919	253,835	96,269	3,244,023
Impairment losses	543,919	253,835	85,173	882,927
Carrying amount	2,350,000	-	11,096	2,361,096

The changes during the year were as follows:

- equity interest in the subsidiary LABRENTA S.A. de CV (Mexico): during the year, part of the capital was returned by the subsidiary (Euro 194,460).
- equity interest in the subsidiary LABRENTA South America (Brazil): the equity interest of Euro 182,382 was sold during the year, resulting in a capital gain recognised in the income statement under financial income;
- equity interest in the associate Plasmafour: it increased by Euro 19,035 due to capital contributions made by LABRENTA SRL and written off in their entirety;
- equity interest in the subsidiary LABRENTA INC.: the equity interest was fully written off.

It was therefore deemed appropriate to recognise an impairment loss on the equity interests held, with the exception of Anacorks Unipessoal LDA, acquired in 2023, of Euro 2,350,000.

Breakdown of non-current equity interests in subsidiaries

The following table sets out equity interests in subsidiaries and the additional information required by Art. 2427 of the Italian Civil Code.
Since the investees have not yet approved their financial statements as at 31.12.2023, the result for the year and equity shown in the table below refer to the financial statements for 2022, while the interests held are updated to 31.12.2023.

Name	City, if in Italy, or foreign country	Capital in euros	Previous year profit (loss) in euros	Equity in euros	Interest in euros	Percent interest	Carrying amount or corresponding claim
Anacork Unipessoal Lda		37,000	592,211	2,246,525	2,246,525	100.000	2,350,000

Name	City, if in Italy, or foreign country	Capital in euros	Previous year profit (loss) in euros	Equity in euros	Interest in euros	Percent interest	Carrying amount or corresponding claim
Labrenta S.A. de CV	Mexico	208,504	(20,826)	187,678	187,678	99.990	-
Labrenta Inc	USA	9,050	(243,288)	(907,643)	(907,643)	100.000	-
Total							2,350,000

Breakdown of non-current equity interests in associates

The following table sets out equity interests in associates and the additional information required by Art. 2427 of the Italian Civil Code.
Since the associate has not yet approved its financial statements as at 31.12.2023, the result for the year and equity shown in the table below refer to the 2022 financial statements.
Of the increase in the value of the equity interest shown in the previous table analysing "changes in equity interests", the change of Euro 19,035 derives from payments taken to equity required to recapitalise the company.

Name	City, if in Italy, or foreign country	Taxpayer identification number (for Italian undertakings)	Capital in euros	Profit (loss) in most recent year	Equity in euros	Interest in euros	Percent interest
Plasmafour SRL	Schio(VI)	0411380244	110,000	(500,803)	(122,975)	49,500	45%

In relation to the above breakdown, Plasmafour was put into liquidation during the financial year 2023 and therefore the equity interest was written off in its entirety.

Value of long-term investments

The long-term investments carried in the financial statements have not been recognised at amounts in excess of their fair value.

	Carrying amount
Equity interests in other companies	11,096

Breakdown of the value of long-term equity interests in other companies

Description	Carrying amount
Banca San Giorgio	1,470
BNL	2,000

CIAL	19
Corepla	78
Rilegno	423
Mixcycling SRL Start Up Innovativa – soc. benefit	7,106
Total	11,096

The equity interest in Mixycling Srl is equal to 0.72% of the company's share capital. On a carrying amount of Euro 92,278, an impairment loss of Euro 85,173 was recognised in previous years and confirmed in 2023.

Current assets

Inventories

The following table provides information regarding changes in inventories.

	Opening value	Changes during the year	Closing value
Raw materials and consumables	822,707	(163,637)	659,070
Work in progress and semi-finished products	628,947	(361,886)	267,061
Finished products and goods	1,141,754	(563,265)	578,489
Payments on account	11,686	(11,686)	-
Total	*2,605,094*	*(1,100,474)*	*1,504,620*

Changes in the provision for impairment of inventories are shown below.

Impairment of inventories	Balance as at 31/12/2022	Net change	Balance as at 31/12/2023
Impairment of goods	257,804	(159,438)	98,366

Impairment due to technical, physical and economic obsolescence concerns goods identified and classified as "non-moving" or with a slow turnover.

Current accounts receivable

Receivables included in current assets amounted to Euro 7,063,459 (Euro 11,092,361 in the previous year).

Changes in and due dates of current receivables

The following table presents information concerning changes in current accounts receivable and, where material, information concerning the dates on which such accounts receivable come due.

	Opening value	Changes during the year	Closing value	Portion due within one year	Portion due beyond one year
Trade receivables	4,532,756	(188,076)	4,344,680	4,344,680	-
Accounts receivable from subsidiaries	1,621,943	(1,099,060)	522,883	522,883	-
Accounts receivable from associates	44,478	(44,478)	-	-	-
Accounts receivable from parent companies	25,101	(25,101)	-	-	-
Tax receivable	1,538,129	(28,038)	1,510,091	1,208,376	301,715
Deferred tax assets	303,661	(133,504)	170,157	-	-
Due from others	3,026,293	(2,510,645)	515,648	515,648	-
Total	**11,092,361**	**(4,028,902)**	**7,063,459**	**6,591,587**	**301,715**

The commercial dealings with the subsidiaries relating to in the account receivable shown in the table above are carried out at regular arm's-length conditions.
Accounts receivable from subsidiaries also include a loan disbursed to Labrenta Inc in the amount of Euro 287,495, plus a monetary revaluation in the amount of Euro 11,148 due to the exchange rate adjustment as at 31 December 2023.
Trade receivables are valued net of the relative provision for impairment losses in the amount of Euro 95,673 and receivables from subsidiaries net of the provision for impairment losses in the amount of Euro 800,000 due to the reasonable certainty of the non-recoverability of the receivable from Labrenta Inc.
Tax receivables include, classified by due date, tax credits for 4.0 investments and R&D tax credits in addition to the annual VAT credit and income tax credit for the year, details of which will be provided below.
Receivables from others include the amount of Euro 425,000 as residual receivable from Cortapedra Srl, which amounted to Euro 2,350,000 as of 31 December 2022, related to the previous transaction on the equity investment in Anacorks - Unipessoal LDA.

Breakdown of current accounts receivable by geographical area

The following table presents a breakdown of current accounts receivable by geographical area.

Geographical area	Current trade receivables	Current receivables from subsidiaries	Current tax receivable	Current share of deferred tax assets	Current receivables from others	Total current receivables
Italy	1,847,048	-	1,510,091	170,157	515,648	4,042,944
EU	689,614	-	-	-	-	689,614

Geographical area	Current trade receivables	Current receivables from subsidiaries	Current tax receivable	Current share of deferred tax assets	Current receivables from others	Total current receivables
Non-EU	1,808,018	522,883	-	-	-	2,330,901
Total	**4,344,680**	**522,883**	**1,510,091**	**170,157**	**515,648**	**7,063,459**

Cash and cash equivalents

The following table provides information regarding changes in cash and cash equivalents.

	Opening value	Changes during the year	Closing value
Bank and postal deposits	1,085,419	483,221	1,568,640
Cash and notes at hand	848	315	1,163
Total	*1,086,267*	*483,536*	*1,569,803*

Accrued income and prepaid expenses

The following table provides information regarding changes in accrued income and prepaid expenses.

	Opening value	Changes during the year	Closing value
Accrued income	2,152	(2,000)	152
Prepaid expenses	297,477	19,919	317,396
Total accrued income and prepaid expenses	**299,629**	**17,919**	**317,548**

The following table illustrates the composition of the items concerned, as carried in the balance sheet.

Description	Details	Amount for the current year
ACCRUED EXPENSES AND DEFERRED INCOME		
	Accrued income	152
	Prepaid expenses	317,396
	Total	**317,548**

The portion of prepaid expenses due beyond one year amounts to Euro 169,954; there are no portions of accrued income and prepaid expenses due beyond five years.

Prepaid expenses amount to Euro 294,257 related to leasing.

Capitalised financial expenses

All interest and other financial expenses have been fully expensed during the year. In accordance with Article 2427(1)(8) of the Italian Civil Code, it is thus certified that no financial expenses have been capitalised.

In addition to the information provided on the assets side of the balance sheet, “Impairment losses” and “Revaluations of property, plant and equipment and intangible assets” are specified below.

Impairment losses on property, plant and equipment and intangible assets
Pursuant to Article 2427 (1) (3) of the Italian Civil Code, no impairment losses have been recognised on intangible assets or items of property, plant and equipment. No impairment losses were recognised in previous years.

Revaluation of intangible assets and property, plant and equipment
The company revalued intangible assets in 2020 as shown in the appropriate section.

Notes: Liabilities and equity

A detailed analysis of the changes in the individual items of the financial statements is provided below in accordance with applicable legislation.

Equity

Changes in components of equity

The following tables present the changes in individual components of equity during the reporting year, along with the details of other reserves, where present.
For the sake of clarity, an analysis of the changes in equity items for 2022 is presented below, followed by an analysis for 2023.

	Opening value	Allocation of previous year profit or loss - Other allocations	Other changes - Decreases	Profit or loss for the year	Closing value
Capital	500,000	-	-	-	500,000
Revaluation reserves	873,000	-	-	-	873,000

	Opening value	Allocation of previous year profit or loss - Other allocations	Other changes - Decreases	Profit or loss for the year	Closing value
Legal reserve	88,913	11,087	-	-	100,000
Extraordinary reserve	1,551,758	1,349,189	-	-	2,900,947
Unrealised foreign exchange gain reserve	-	2,361	-	-	2,361
Capital payments	110,000	-	-	-	110,000
Sundry other reserves	1	-	3		(2)
Total other reserves	1,661,759	1,351,547	3	-	3,013,306
Profit (loss) for the year	1,362,636	-	1,362,636	(717,180)	(717,180)
Total	**4,486,308**	**1,362,637**	**1,362,639**	**(717,180)**	**3,769,126**

	Opening value	Allocation of previous year profit or loss - Other allocations	Other changes - Increases	Profit or loss for the year	Closing value
Capital	500,000	-	-	-	500,000
Revaluation reserves	873,000	-	-	-	873,000
Legal reserve	100,000	-	-	-	100,000
Extraordinary reserve	2,900,947	(717,180)	-	-	2,183,767
Unrealised foreign exchange gain reserve	2,361	-	-	-	2,361
Sundry other reserves	109,998	-	3	-	110,001
Total other reserves	3,013,306	(717,180)	3	-	2,296,129
Profit (loss) for the year	(717,180)	717,180	-	(344,213)	(344,213)
Total	**3,769,126**	**-**	**3**	**(344,213)**	**3,424,916**

Availability and use of equity

In the following table, each component of equity is analysed separately, with an indication of its origin, possible use and distribution and actual use in the previous three years.

Description	Amount	Origin/nature	Possible use	Available amount	Summary of uses in the three previous years - to cover losses
Capital	500,000	Capital		-	-
Revaluation reserves	873,000	Capital	A;B;C	873,000	-
Legal reserve	100,000	Earnings	B	-	-
Extraordinary reserve	2,183,767	Earnings	A;B;C	2,183,767	867,180
Unrealised foreign exchange gain reserve	2,361	Earnings	A;B	-	-
Sundry other reserves	110,001	Capital	A;B;C	110,000	-
Total other reserves	2,296,129	Capital		-	-
Total	**3,769,129**			**3,166,767**	**867,180**
Non-distributable amount				100,000	
Residual distributable amount				3,166,767	
Legend: A: for capital increases; B: for coverage of losses; C: for distribution to members; D: for other requirements according to the Articles of Association; E: other					

Origin, possible use and distribution of sundry other reserves

Description	Amount	Origin/nature	Possible use	Available amount
Capital contribution	110,000	Capital	A;B;C	110,000
Euro rounding difference reserve	1	Earnings		-
Total	**110,001**			**-**
Legend: A: for capital increases; B: for coverage of losses; C: for distribution to members; D: for other requirements according to the Articles of Association; E: other				

With reference to the company's use of revaluation reserves, if reduced for coverage losses, the company cannot distribute profits until the reserves are replenished in amount or reduced to a corresponding extent by resolution of the members (pursuant to Article 6 of Law 72/83 and subsequent revaluation laws).

Revaluation reserves
The composition of revaluation reserves is as follows:

	Opening value	Use to cover losses	Other movements	Closing value
Other revaluations				
Law 126/2020	873,000	0	0	873,000
Total other revaluations	873,000	0	0	873,000
Total revaluation reserves	873,000	0	0	873,000

Provisions for risks and charges

The following table provides information regarding changes in provisions for risks and charges.

	Opening value	Changes during the year - Use	Changes during the year - Other changes	Changes during the year - Total	Closing value
Provision for pension and similar obligations	27,960	20,000	2,443	(17,557)	10,403
Other provisions	1,820,507	1,330,006	-	(1,330,006)	490,501
Total	**1,848,467**	**1,350,006**	**2,443**	**(1,347,563)**	**500,904**

The provision for termination indemnity includes Euro 10,403 of provisions for agents' termination indemnity accrued during the period and payable to agents at the end of the relationship.
Other provisions include the provision for risks, which confirms the accrual made in previous years of Euro 34,300 for ongoing litigation and Euro 456,201 as a residual accrual of the amount previously set aside for potential assessments by the INPS.
The change that occurred is due to the settlement, in 2023, of the tax litigation that began at the end of 2022, for which a provision of originally 1,786,207 had been set aside as at 31 December 2022.

Employee termination indemnities

The following table provides information regarding changes in provisions for employee termination indemnities.

	Opening value	Changes during the year - Accruals	Changes during the year - Use	Changes during the year - Total	Closing value
EMPLOYEE TERMINATION INDEMNITIES	560,462	234,056	202,826	31,230	591,692
Total	**560,462**	**234,056**	**202,826**	**31,230**	**591,692**

Accounts payable

Accounts payable have been entered under liabilities for a total of Euro 12,467,057 (Euro 12,670,691 in the previous year).

Changes in and due dates of accounts payable

The following table presents information concerning changes in accounts payable and information, if any, concerning the due dates of accounts payable.

	Opening value	Changes during the year	Closing value	Portion due within one year	Portion due beyond one year
Due to banks	6,238,244	(764,166)	5,474,078	2,574,637	2,899,441
Payments on account	399,649	(268,171)	131,478	131,478	-
Trade payables	4,113,496	(1,517,055)	2,596,441	2,596,441	-
Due to subsidiaries	-	219,790	219,790	219,790	-
Due to parent companies	168,012	2,418,910	2,586,922	2,586,922	-
Tax payable	566,886	73,349	640,235	640,235	-
Due to social security and welfare institutions	213,320	(46,310)	167,010	167,010	-
Other accounts payable	971,084	(319,981)	651,103	651,103	-
Total	**12,670,691**	**(203,634)**	**12,467,057**	**9,567,616**	**2,899,441**

Compared to the results at 31 December 2022, at the end of the year 2023, the following have increased: payables to subsidiaries (in detail, to the subsidiary Anacorcks), payables to the parent company Guala Colsures Group SPA as well as for supplies for the disbursement of a temporary loan, positions that will be closed as a result of the aforementioned merger, and finally, tax payables connected to the settlement of the dispute with the Tax Authorities. Further details are provided below for payables to banks and payables to others.

Due to banks

The following table presents a breakdown of the item “Due to banks”.

Item	Current account payables	Short-term loans payable	Medium-term loans payable	Total
Due to banks	444,614	642,332	4,387,132	5,474,078

Details of outstanding financing are given below

	Principal disbursed	term	Due by 2024	Due beyond 2024
Centroveneto B.B. financing 10064	300,000	2020-2026	59,553	100,877
SIMEST trans. no. 10298/IM financing	508,227	2020-2026	127,057	190,585
SIMEST trans. no. 31318/PA/FP financing	625,000	2021-2026	156,250	312,500
BVRVI	205,800	2022-2027	41,113	87,252
BVRVI	448,000	2022-2027	89,220	206,038
Banca Centroveneto	2,500,000	2022-2027	706,685	1,322,190
Intesa Sanpaolo	600,000	2022-2027	129,904	252,061
Banco BPM	293,000	2022-2027	58,368	134,567
BPER Bank	600,000	2022-2027	119,541	293,371
			1.487.691	**2.899.441**

Other accounts payable

The following table presents a breakdown of the item “Other accounts payable”.

Details	Amount for the current year
Trade unions for withholdings	508
Credit card payables	4,607
Employees - deferred remuneration	314,701
Due to supplementary pension funds	42,881
Currency adjustment payable	74,991
Sundry accounts payable to third parties	213,415
Total	**651.103**

Breakdown of accounts payable by geographical area

The following table breaks accounts payable down by geographical area.

Geographical area	Due to banks	Payments on account	Trade payables	Due to subsidiaries	Due to parent companies	Tax payable	Due to social security and welfare institutions	Other accounts payable	Accounts payable
Italy	5,474,078	131,478	2,397,330	-	2,586,922	640,235	167,010	651,103	12,048,156
EU	-	-	199,111	-	-	-	-	-	199,111
Non-EU	-	-	-	219,790	-	-	-	-	219,790
Total	**5,474,078**	**131,478**	**2,596,441**	**219,790**	**2,586,922**	**640,235**	**167,010**	**651,103**	**12,467,057**

Accounts payable secured by collateral

Pursuant to Art. 2427(1)(6) of the Italian Civil Code, it is certified that there are no payables secured by collateral.

	Accounts payable not secured by collateral	Total
Due to banks	5,474,078	5,474,078
Payments on account	131,478	131,478
Trade payables	2,596,441	2,596,441
Due to subsidiaries	219,790	219,790
Due to parent companies	2,586,922	2,586,922
Tax payable	640,235	640,235
Due to social security and welfare institutions	167,010	167,010
Other accounts payable	651,103	651,103
Total accounts payable	**12,467,057**	**12,467,057**

Accounts payable relating to transactions with a forward resale obligation

There are no accounts payable relating to transactions with a forward resale obligation pursuant to Art. 2427 (1) (6-ter) of the Italian Civil Code.

Member loans

The company has not received any loans from its members.

Accrued expenses and deferred income

The following table provides information regarding changes in accrued expenses and deferred income.

	Opening value	Changes during the year	Closing value
Accrued expenses	87,123	77,921	165,044
Deferred income	1,647,380	(134,965)	1,512,415
Total accrued expenses and deferred income	**1,734,503**	**(57,044)**	**1,677,459**

Almost the entire amount of deferred income relates to tax credits for investments in ordinary capital goods and 4.0 (Euro 1,406,944, of which Euro 361,626 due within one year) and the Sabatini contribution (Euro 84,808, of which Euro 29,850 due within one year).

Notes: Income statement

The income statement presents the financial performance for the year.
It provides an account of operations through a summary of the income and expenses that contributed to determining financial performance. The income and expenses recognised in accordance with Art. 2425-*bis* of the Italian Civil Code have been classified by nature: core business, ancillary and financial.
Core business refers to income components generated by transactions that occur on an ongoing basis in the sector relevant to the conduct of operations, which identify and qualify the peculiar, distinctive part of the economic activity that the Company is intended to pursue.
Financial activity consists of transactions that generate income and charges of a financial nature.
To a residual extent, ancillary activity consists of transactions that generate income and expenses considered a part of ordinary business but not core business or financial activity.

Value of production

Breakdown of sales and service revenues by category of activity

The following table provides a breakdown of sale and service revenues by category of activity.

Category of activity	Current year value
Revenues from product sales	18,652,068
Other ordinary revenues	266,016

Category of activity	Current year value
Total	**18,918,084**

Production includes a large number of products, all of which fall within the luxury sector and are destined for the spirits market, and a breakdown by type is of little significance and not relevant for the purpose of this document.
Other ordinary income includes recovery of installation and transport costs, contributions under contracts and recoveries in other capacities.

Breakdown of sale and service revenues by geographical area

The following table provides a breakdown of sale and service revenues by geographical area.

Geographical area	Current year value
Italy	7,262,016
Europe	4,718,523
Non-EU	6,937,545
Total	**18,918,084**

Other revenues

Other revenues and income are recognised under the value of production in the income statement for Euro 663,239 (Euro 744,892 in the previous year).
It is worth mentioning operating grants (ex Sabatini) in the amount of Euro 29,728 and Euro 413,083 relating to the accrued portion of benefits (tax credits) for investments in ordinary and 4.0 assets.

Costs of production

Costs of production amounted to Euro 18,565,340 (Euro 23,914,410 in the previous year).

Raw materials, consumables and goods and services
Recognition was by acquisition cost and on an accrual basis.

Description	2023	2022
Purchase of raw materials	2,967,224	4,511,419
Purchase of semi-finished products	2,124,102	2,738,050
Purchase of finished products	213,956	364,351
Purchase of packaging	139,802	231,609

Consumables and maintenance materials	641,251	607,731
Total purchases of raw materials, consumables and goods	**6.086.335**	**8,453,160**

Costs of services

Costs for the purchase of services can be broken down according to the following expenditure categories.

Description	2023	2022
Industrial services	1,855,407	2,916,970
Commercial services	371,282	692,418
Administrative services	1,397,607	1,283,509
Total purchases for services	**3,624,296**	**4,892,896**

Rental, lease and hire

Rental, lease and hire costs include real estate rental costs of Euro 340,518, machinery leasing costs of Euro 787,724 and equipment and vehicle rental costs of Euro 102,071.

Personnel costs

This item includes the entire expenditure for employees, including merit raises, category increases, contingency raises, the cost of leave not taken, and provisions required by law and collective agreements.

Description	2023	2022
Wages and salaries	4,440,472	5,093.,02
Social security and welfare contributions	1,093,947	1,155,399
Employee termination indemnities	234,056	245,034
Other personnel costs	37,193	33,327
Total personnel costs	**5,805,668**	**6,526,862**

Amortisation and depreciation

Amortisation and depreciation were calculated on the basis of the useful life of the assets and their use in the production phase.

Impairment of current receivables

The portion set aside for trade receivables claimed by the Company amounts in total to Euro 827,323.

Financial income and expenses

Financial income and expenses are recognised on an accrual basis, i.e., to the extent accrued during the year. '

Breakdown of income from equity interests

The amount of Euro 242,618 recognised under this item derives from the sale of the equity interest in the subsidiary LABRENTA South America (Brazil).

Other financial income
This amounts to Euro 7,157, of which Euro 4,357 is classified as “Other financial income - From non-current receivables - From subsidiaries”, and is the interest on a loan made to an investee; the remaining Euro 2,800 is classified as “Other income” and is bank and miscellaneous interest income and financial discount income.

Breakdown of interest and other financial expenses by debt type

The following table presents interest and other financial expenses, as defined in Art. 2425 (17) of the Italian Civil Code, specifically separating those relating to bonds, amounts due to banks and other cases. The total amount recorded in the financial statements of Euro 249,802 relates to interest payable on loans of Euro 226,055, Euro 4,969 for tax instalment plans, Euro 18,778 for financial discounts granted and Euro 26 for interest on arrears.

Foreign exchange gains and losses

Foreign exchange differences show a negative balance of Euro 48,308.

Amount and nature of individual items of revenues/costs of exceptional scope or impact

There were no revenues or other positive components arising from events of an exceptional scope or incidence to be reported during the year.

Current, deferred and prepaid income taxes

The company provisioned for taxes for the year by applying the current tax code. Current taxes refer to the taxes accrued during the year, as declared in tax returns; taxes relating to previous years include direct taxes from previous years, inclusive of interest and penalties and also refer to the positive (or negative) difference between the amount due following the settlement of a dispute or an assessment compared to the value of the provision set aside in

previous years. Finally, deferred taxes and prepaid taxes relate to income and expenses subject to taxation or deduction in years other than those in which they are recognised for statutory accounting purposes.
With reference to the financial year 2023, only IRAP (Regional Tax on Productive Activities) of euro 105,801 was allocated, as no taxable income was generated for IRES (corporate income tax) purposes. As a result of withholding taxes on interest and advance payments made for IRES and IRAP in 2023, in excess of what was due, the Company accrued a total credit of euro 475,732.

Deferred tax assets and liabilities

This item refers to the impact of deferred taxes on the financial statements. It is to be attributed to temporary differences between the values assigned to an asset or a liability for financial reporting purposes and the corresponding values assigned to the asset or liability for tax purposes.

Recognition of deferred and prepaid taxes and related effects

	IRES	IRAP
A) Temporary differences		
Deductible temporary differences	650,979	456,201
Taxable temporary differences	16,124	-
Temporary differences	(634,855)	(456,201)
B) Fiscal effects		
Deferred taxes (prepaid) taxes - Amount at the end of the previous year	(272.461)	(31.200)
Deferred taxes (prepaid) taxes of the year	120.096	13.408
Deferred taxes (prepaid) taxes – Amount at the end of the year	(152.365)	(17.792)

Details of deductible temporary differences

Description	Amount at the end of the previous year	Change during the year	Amount at the end of the year	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Lawsuit for defects	34,300	-	34,300	24.00	8,232	-	-
Impairment of receivables	48,451	-	48,451	24.00	11,628	-	-
Impairment of inventories	238,125	(159,438)	78,687	24.00	18,885	-	-

Description	Amount at the end of the previous year	Change during the year	Amount at the end of the year	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Foreign exchange losses	14,379	18,961	33,340	24.00	8,002	-	-
Provisions for risks	800,000	(343,799)	456,201	24.00	109,488	3.90	17,792

Details of taxable temporary differences

Description	Amount at the end of the previous year	Change during the year	Amount at the end of the year	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Foreign exchange gains	32,685	(16,562)	16,123	24.00	3,870	-	-

Equity as at 31 December 2023 does not contain any reserves that, in the event of their distribution or the liquidation of the company, would be subject to taxation, with the exception of the "Revaluation reserve per Law 162/2020" of Euro 873,000. With regard to this reserve, the company has not allocated any deferred taxes since, at present, its distribution is not reasonably foreseeable.

Notes: Statement of cash flows

The company has prepared a statement of cash flows, which is a concise document that reconciles the changes during the year in company assets with changes in its financial situation. It presents the values of the financial resources required by the undertaking during the year and the related uses.
In accordance with OIC 10, the Company used the indirect method to prepare its cash flow statement; according to this method, cash flows are reconstructed by adjusting profit or loss for the year to exclude non-monetary components.

Notes: Other information

The other information required by the Italian Civil Code is provided below.

Workforce

The following table shows the average number of employees, broken down by category and calculated considering the daily average.
The figures for 2022, for comparative purposes, are shown in the first table below. The figures for 2023 are shown in the following table.

	Executives	White-collar workers	Blue-collar workers	Other employees	Total employees
Average number	3	45	63	8	119

	Executives	White-collar workers	Blue-collar workers	Other employees	Total employees
Average number	2	39	59	6	106

Compensation, advances and loans granted to directors and statutory auditors and commitments assumed on their account

The following table presents the information required by Art. 2427 (16) of the Italian of the Italian Civil Code; there have not been any advances or loans, nor have commitments have been entered into on the behalf of the governing body as a result of guarantees given of any kind.

	Directors
Compensation	283,979

Compensation of the independent auditor or auditing firm

The following table shows the compensation due to the statutory auditors by type of service rendered.

	Statutory audit of annual accounts	Total fees payable to the independent auditor or auditing firm
Value	35,320	35,320

Commitments, guarantees and contingent liabilities not shown in the balance sheet

The information provided for in Art. 2427(9) of the Italian Civil Code is provided below.
In relation to the provisions of Art. 2427 (1) (9) of the Italian Civil Code, the following commitments, guarantees and contingent liabilities not shown in the balance sheet are noted:
Guarnties: Guarantee in favour of the subsidiary Plasmafour Srl in relation to an unsecured loan due on 27/05/2024, guarantee value of Euro 250,000, guaranteed amount of Euro 157,802
Guarantee in favour of Cortapedra Srl: Euro 271,302.

Information on assets and financing intended for specific business dealings

Assets allocated to specific business dealings

At the reporting date, there were no assets allocated to specific business dealings, as defined in Article 2427(20) of the Italian Civil Code.

Loans allocated to specific business dealings

At the reporting date, there were no loans allocated to specific business dealings, as defined in Article 2427(21) of the Italian Civil Code.

Transactions with related parties

Transactions were undertaken with related parties during the year; these are transactions concluded at market conditions. Accordingly, under applicable legislation, no additional disclosure is provided.

Off-balance sheet arrangements

No off-balance sheet arrangements were entered into during the year.

Subsequent events

On 27/12/2023, by deed drawn up by notary Luciano Mariano of Alessandria (AL), the deed of merger by absorption of the company LABRENTA SRL into GUALA CLOSURES SPA was signed, with an effective date of 01.01.2024. With respect to Art. 2427 (22-*quater*) of the Italian Civil Code, there were no further significant events after the reporting date with a material impact on financial performance and financial position to be reported.

Information about derivative financial instruments pursuant to Art. 2427-*bis* of the Italian Civil Code

No derivative financial instruments have been contracted.

Information pursuant to Article 1 (125) of Law 124 of 4 August 2017

In relation to the provisions of Art. 1 (125-bis) of Law 124/2017, regarding the obligation to provide evidence in the notes to the financial statements of all sums of money received during the financial year by way of grants, subsidies, benefits, contributions or aid, in cash or in kind, not of a general nature and without consideration, remuneration or compensation of any kind, from public administrations and the entities referred to in paragraph 125-bis of the same article,
It should be noted that the Company has not received any. For the sake of completeness, it should be noted that the Company has benefited from the bonus for the purchase of electricity and made 4.0 investments, in the year and in past years, which gave the right to tax credits pursuant to Art. 1 co. 1051 - 1063 of Law 178/2020 et seq.

Proposed allocation of profits or coverage of losses

In light of the above, the Board of Directors proposes that the loss for the year of Euro 344,213.07 be covered by the extraordinary reserve.

Notes: Conclusion

Shareholders, we hereby confirm that these financial statements, consisting of the balance sheet, income statement, statement of cash flows and the notes, provide a truthful and accurate representation of the company's financial performance and financial position for the year, and match its accounting records. We therefore invite you to approve the financial statements at and for the year ended 31/12/2023, along with the proposed allocation of the profit for the year, as prepared by the governing body.
These financial statements are truthful and accurate and match the accounting records.

INDEPENDENT AUDITOR'S REPORT
IN ACCORDANCE WITH ARTICLE 14
OF LEGISLATIVE DECREE 27 JANUARY 2010, No. 39

GUALA CLOSURES SPA

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the sole shareholder of
Guala Closures SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Guala Closures Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2023, the consolidated statement of profit and loss, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of ABC SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of Guala Closures SpA for the year ended 31 December 2022 were audited by another auditor, who issued an unmodified opinion on these financial statements on 28 April

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

2023. The explanatory note '(5) Acquisitions of subsidiaries, business units and non-controlling interests' illustrates the effects of the restatement of the comparative figures for the previous year, compared to the data previously presented, following the completion of the purchase price allocation process related to the business combination of Labrenta Srl.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate ABC SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10

The directors of Guala Closures SpA are responsible for preparing a report on operations of the Guala Closures Group as of 31 December 2023, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of the Guala Closures Group as of 31 December 2023 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the consolidated financial statements of Guala Closures Group as of 31 December 2023 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milano, 26 April 2024

PricewaterhouseCoopers SpA

Signed by

Adriano Antonini
(Revisore legale)

This report has been translated into English from the Italian original solely for the convenience of international readers

INDEPENDENT AUDITOR'S REPORT
IN ACCORDANCE WITH ARTICLE 14
OF LEGISLATIVE DECREE 27 JANUARY 2010, No. 39

GUALA CLOSURES SPA

SEPARATE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the sole shareholder of
Guala Closures SpA

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the financial statements of Guala Closures SpA (the Company), which comprise the statement of financial position as of 31 December 2023, the statement of profit and loss, the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia).
Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of Guala Closures SpA for the year ended 31 December 2022 were audited by another auditor, who issued an unmodified opinion on these financial statements on 28 April 2023.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional skepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10

The directors of Guala Closures SpA are responsible for preparing a report on operations of Guala Closures SpA as of 31 December 2023, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of Guala Closures SpA as of 31 December 2023 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the financial statements of Guala Closures SpA as of 31 December 2023 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milano, 26 April 2024

PricewaterhouseCoopers SpA

Signed by

Adriano Antonini
(Revisore legale)

This report has been translated into English from the Italian original solely for the convenience of international readers

INDEPENDENT AUDITOR'S REPORT
IN ACCORDANCE WITH ARTICLE 14
OF LEGISLATIVE DECREE 27 JANUARY 2010, No. 39

GUALA CLOSURES SPA (FORMERLY LABRENTA SRL)

FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the sole shareholder of
Guala Closures SpA (formerly Labrenta Srl)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Guala Closures SpA (formerly Labrenta Srl) (the Company), which comprise the balance sheet as of al 31 December 2023, the income statement and statement of cash flows for the year then ended and related notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of Labrenta Srl for the year ended 31 December 2022 were audited by another auditor, who issued an unmodified opinion on these financial statements on 5 April 2023.

Emphasis of matter

Without modifying our opinion, we draw your attention to the note 'Information on significant events occurring after the end of the financial year' contained in the notes to the financial statements which illustrates the merger by incorporation of Labrenta Srl into Guala Closures SpA.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional skepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10

The directors of Guala Closures SpA (formerly Labrenta Srl) are responsible for preparing a report on operations of Guala Closures SpA (formerly Labrenta Srl) as of 31 December 2023, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of

Guala Closures SpA (formerly Labrenta Srl) as of 31 December 2023 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the financial statements of Guala Closures SpA (formerly Labrenta Srl) as of 31 December 2023 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milano, 26 April 2024

PricewaterhouseCoopers SpA

Signed by

Adriano Antonini
(Revisore legale)

This report has been translated into English from the Italian original solely for the convenience of international readers

RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DELL'AZIONISTA UNICO IN OCCASIONE DELL'APPROVAZIONE DEL BILANCIO DI ESERCIZIO CHIUSO AL 31 DICEMBRE 2023 REDATTA AI SENSI DELL'ART. 2429, CO. 2, C.C.

All'Azionista Unico della società Guala Closures S.p.A. (la "Società")

Nel corso dell'esercizio chiuso al 31 dicembre 2023 la nostra attività è stata ispirata alle disposizioni di legge e alle Norme di comportamento del Collegio Sindacale di società non quotate emanate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili.

Di tale attività e dei risultati conseguiti La portiamo a conoscenza con la presente relazione.

È stato sottoposto al Suo esame il bilancio d'esercizio della Guala Closures S.p.A. al 31.12.2023, redatto in conformità agli *International Financial Reporting Standards (IFRS)* adottati dall'Unione Europea, che evidenzia un utile d'esercizio di euro 13.532.917. Il bilancio è stato messo a nostra disposizione, con il nostro assenso, in deroga al termine di cui all'art. 2429 c.c.

Il Collegio Sindacale, non essendo incaricato della revisione legale, ha svolto sul bilancio le attività di vigilanza previste nella Norma 3.8. delle "Norme di comportamento del collegio sindacale di società non quotate" consistenti in un controllo sintetico complessivo volto a verificare che il bilancio sia stato correttamente redatto. La verifica della rispondenza ai dati contabili spetta, infatti, all'incaricato della revisione legale.

Il soggetto incaricato della revisione legale dei conti PricewaterhouseCoopers S.p.A. ci ha consegnato la propria relazione datata 26 aprile 2024 contenente un giudizio senza modifica.

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SOLE SHAREHOLDER MEETING FOR THE APPROVAL OF THE FINANCIAL STATEMENTS ENDED DECEMBER 31, 2023 DRAWN UP PURSUANT TO ARTICLE 2429, CO. 2 OF THE ITALIAN CIVIL CODE

To the Sole Shareholder of the company Guala Closures S.p.A. (the "Company")

During the year ended December 31, 2023 our activity has been inspired by the provisions of the law and the Rules of Conduct of the Board of Statutory Auditors of unlisted companies issued by the National Council of Chartered Accountants and Accounting Experts.

We bring you to the attention of this activity and the results achieved with this report.

The financial statements of Guala Closures S.p.A. as at 31.12.2023, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, which show a net profit of euro 13,532,917, have been submitted for your examination. The financial statements have been made available to us, with our consent, notwithstanding the deadline referred to in Article 2429 of the Italian Civil Code.

The Board of Statutory Auditors, not being responsible for the statutory audit, carried out on the financial statements the supervisory activities provided for in Rule 3.8 of the "Rules of conduct of the Board of Statutory Auditors of unlisted companies" consisting of an overall synthetic control aimed at verifying that the financial statements have been correctly drawn up. The verification of compliance with accounting data is, in fact, the responsibility of the firm in charge of the statutory audit.

The firm in charge of the statutory audit PricewaterhouseCoopers S.p.A. has delivered to us its report dated April 26, 2024 containing a clean opinion.

Da quanto riportato nella relazione del soggetto incaricato della revisione legale il bilancio d'esercizio al 31.12.2023 rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico e i flussi di cassa della Sua Società ed è stato redatto in conformità alla normativa che ne disciplina la redazione.

As reported in the report of the firm in charge of the statutory audit, the financial statements at 31.12.2023 give a true and fair view of the financial position, the economic result and cash flows of your Company and have been prepared in accordance with the regulations governing its preparation.

1) **Attività di vigilanza ai sensi degli artt. 2403 e ss. c.c.**

1) **Supervisory activity pursuant to Articles 2403 et seq. of the Italian Civil Code**

Abbiamo vigilato sull'osservanza della legge e dello statuto, sul rispetto dei principi di corretta amministrazione e, in particolare, sull'adeguatezza dell'assetto organizzativo, amministrativo e contabile adottato dalla Società e sul suo concreto funzionamento.

We have monitored compliance with the law and the Articles of Association, compliance with the principles of correct administration and, in particular, the adequacy of the organizational, administrative and accounting structure adopted by the Company and its concrete functioning.

Abbiamo partecipato alle Assemblee dell'Azionista Unico e alle riunioni del Consiglio di Amministrazione e, sulla base delle informazioni disponibili, non abbiamo rilievi particolari da segnalare.

We attended the Sole Shareholder meetings and the meetings of the Board of Directors and, based on the information available, we have no specific findings to report.

Abbiamo acquisito dall'Organo di amministrazione con adeguato anticipo e anche durante le riunioni svolte, informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione, nonché sulle operazioni di maggiore rilievo, per le loro dimensioni o caratteristiche, effettuate dalla Società e dalle sue controllate e, in base alle informazioni acquisite, riferiamo in particolare quanto segue.

We have acquired from the Board of Directors with adequate advance and during the meetings held, information on the general performance of operations and its foreseeable evolution, as well as on the most important transactions, due to their size or characteristics, carried out by the Company and its subsidiaries and, based on the information acquired, we report in particular the following.

Nel corso dell'esercizio è stata finalizzata un'operazione di riorganizzazione della struttura finanziaria della Società (denominata *"Project Agave"*) che ha condotto all'emissione di un prestito obbligazionario di euro 350 milioni, avente scadenza nel 2029, ammesso alla quotazione presso il *Luxembourg Stock Exchange* in data 13 ottobre 2023, e alla definizione di ulteriori contratti di natura finanziaria stipulati nel contesto del progetto succitato. Tale operazione è risultata strumentale a garantire alla Società la disponibilità di risorse utili per la finalizzazione di alcuni progetti straordinari ed al pagamento di un dividendo a favore dell'Azionista Unico. Per maggiori dettagli sulla suddetta operazione si rimanda all'informativa resa nelle note esplicative al bilancio.

During the year, a reorganization of the Company's financial structure (called "*Project Agave*") was finalized, which led to the issuance of a bond loan of euro 350 million, maturing in 2029, admitted to listing on the Luxembourg Stock Exchange on October 13, 2023, and to the definition of further financial contracts finalized in the context of the aforementioned project. This transaction was instrumental in guaranteeing the Company the availability of resources useful for the finalization of certain extraordinary projects and the payment of a dividend in favor of the Sole Shareholder. For further details on the above transaction, please refer to the information provided in the explanatory notes to the financial statements.

Con delibera assembleare del 27 settembre 2023 è stato stabilito di aumentare il numero dei Consiglieri da nove a dieci ed è stato contestualmente nominato quale nuovo componente, in carica fino alla data di approvazione del bilancio al 31 dicembre 2023 (in coerenza con la data di scadenza degli altri Consiglieri), il dott. Mauro Caneschi, che ha assunto la carica di Amministratore Delegato.

By resolution of the Sole Shareholder's Meeting of September 27, 2023, it was decided to increase the number of Directors from nine to ten and at the same time Mr. Mauro Caneschi, who assumed the position of Chief Executive Officer, was appointed as a new member, in office until the date of approval of the financial statements as at December 31, 2023 (in line with the expiry date of the other Directors).

In data 1° gennaio 2024, in attuazione dell'atto di fusione stipulato in data 27 dicembre 2023, è divenuta efficace la fusione per incorporazione della società interamente controllata Labrenta S.r.l. nella Società, con effetti contabili e fiscali dal 1° gennaio 2024.

On January 1, 2024, in implementation of the merger deed signed on December 27, 2023, the merger by incorporation of the wholly owned subsidiary Labrenta S.r.l. into the Company became effective, with accounting and tax effects from January 1, 2024.

Con il soggetto incaricato della revisione legale abbiamo scambiato tempestivamente dati e informazioni rilevanti per lo svolgimento della nostra attività di vigilanza.

We exchanged timely data and information with the firm in charge of the statutory audit that is relevant to the performance of our supervisory activity.

Abbiamo incontrato il preposto al sistema di controllo interno e non sono emersi dati ed informazioni rilevanti che debbano essere evidenziate nella presente relazione.

We met with the person in charge of the internal control system and no relevant data and information raised that should be highlighted in this report.

Abbiamo incontrato l'Organismo di Vigilanza ed abbiamo preso visione delle sue relazioni e non sono emerse criticità rispetto alla corretta attuazione del Modello Organizzativo che debbano essere evidenziate nella presente relazione.

We met the Supervisory Body and read its reports and no critical issues raised with respect to the correct implementation of the Organizational Model that must be highlighted in this report.

Abbiamo acquisito conoscenza e abbiamo vigilato sull'adeguatezza dell'assetto organizzativo, amministrativo e contabile e sul suo concreto funzionamento, anche tramite la raccolta di informazioni dai responsabili delle funzioni e, a tale riguardo non abbiamo osservazioni particolari da riferire.

We have acquired knowledge and supervised the adequacy of the organizational, administrative and accounting structure and its concrete functioning, also through the collection of information from the heads of functions and, in this regard, we have no particular observations to report.

Abbiamo acquisito conoscenza e vigilato, per quanto di nostra competenza, sull'adeguatezza e sul funzionamento del sistema amministrativo-contabile, nonché sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle funzioni e l'esame dei documenti aziendali e, a tale riguardo, non abbiamo osservazioni particolari da riferire.

We have acquired knowledge and supervised, as far as our competence is concerned, the adequacy and functioning of the administrative-accounting system, as well as the reliability of the latter to correctly represent the management facts, by obtaining information from the heads of the functions and the examination of Company documents and, in this regard, we have no specific observations to report.

Non sono pervenute denunzie dall'Azionista Unico *ex* art. 2408 c.c. o *ex* art. 2409 c.c.

No complaints have been received from the Sole Shareholder pursuant to Article 2408 or pursuant to Article 2409 of the Italian Civil Code.

Non abbiamo presentato denunzia al Tribunale *ex* art. 2409 c.c.

We have not filed any complaint with the Court pursuant to Article 2409 of the Italian Civil Code.

Non abbiamo effettuato segnalazioni all'Organo di amministrazione ai sensi e per gli effetti di cui all'art. 25-*octies* d.lgs. 12 gennaio 2019, n. 14.

We have not issued any reports to the Board of Directors pursuant to and for the purposes of Article 25-*octies* Legislative Decree January 12, 2019, no. 14.

Non abbiamo ricevuto segnalazioni da parte dei creditori pubblici ai sensi e per gli effetti di cui all'art. 25-*novies* d.lgs. 12 gennaio 2019, n. 14.

We have not received any reports from public creditors pursuant to and for the purposes of Article 25-*novies* Legislative Decree January 12, 2019, no. 14.

Nel corso dell'esercizio sono stati rilasciati dal Collegio Sindacale i seguenti pareri e osservazioni previsti dalla legge:

- in data 26 aprile 2023 è stata emessa la proposta motivata per il conferimento dell'incarico di revisione legale dei conti per gli esercizi 2023, 2024 e 2025;
- in occasione della delibera consiliare del 27 aprile 2023, è stato espresso parere favorevole in merito all'attribuzione del corrispettivo variabile relativo all'esercizio 2022 a favore dell'Amministratore Delegato;
- in occasione della delibera assembleare del 27 settembre 2023, è stato espresso parere favorevole in merito all'attribuzione dei compensi per l'esercizio 2023 e 2024, e dei relativi compensi variabili, a favore del Presidente del Consiglio di Amministrazione e del nuovo Amministratore Delegato, nominato in tale sede;
- in data 28 settembre 2023, è stata emessa la relazione contenente le osservazioni sul bilancio semestrale "*Special Purpose*" al 30 giugno 2023, predisposto dalla Società a supporto della delibera assembleare di distribuzione di riserve all'Azionista Unico, approvata in data 29 settembre 2023; a tale riguardo, si dà atto che nella relazione in oggetto non sono emersi motivi ostativi all'approvazione della distribuzione proposta.

During the year, the Board of Statutory Auditors issued the following opinions and observations required by law:

- on April 26, 2023, the reasoned proposal for the appointment of the firm in charge of the statutory auditor for the financial years 2023, 2024 and 2025 was issued;
- on the occasion of the Board resolution of April 27, 2023, a favourable opinion was expressed on the assignment of the variable remuneration for the year 2022 in favour of the Chief Executive Officer;
- at the Sole Shareholder's Meeting resolution of September 27, 2023, a favourable opinion was expressed on the assignment of remuneration for the financial years 2023 and 2024, and the related variable remuneration, in favour of the Chairman of the Board of Directors and the new Chief Executive Officer, appointed at that time;
- on September 28, 2023, the report containing observations on the "Special Purpose" half-year financial statements as of June 30, 2023, prepared by the Company in support of the Sole Shareholder's resolution to distribute reserves to the Sole Shareholder, approved on September 29, 2023, was issued; in this regard, it is noted that this report did not reveal any reasons preventing the approval of the proposed distribution.

Nel corso dell'attività di vigilanza, come sopra descritta, non sono emersi altri fatti significativi, ulteriori rispetto a quelli già evidenziati, tali da richiederne la menzione nella presente relazione.

2) Osservazioni in ordine al bilancio d'esercizio

Da quanto riportato nella relazione del soggetto incaricato della revisione legale, "*il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2023, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea*".

La relazione succitata riporta nel paragrafo "*Altri Aspetti*" quanto segue: "*Il bilancio d'esercizio della società Guala Closures SpA per l'esercizio chiuso al 31 dicembre 2022 è stato sottoposto a revisione contabile da parte di un altro revisore che, il 28 aprile 2023, ha espresso un giudizio senza modifica su tale bilancio*".

Per quanto a nostra conoscenza, gli Amministratori, nella redazione del bilancio, non hanno derogato alle norme di legge ai sensi dell'art. 2423, co. 5, c.c.

Ai sensi dell'art. 2426, n. 5, c.c. abbiamo espresso il nostro consenso all'iscrizione nell'attivo dello stato patrimoniale di costi di sviluppo, al netto del relativo del relativo fondo ammortamento, per euro 924 migliaia.

Ai sensi dell'art. 2426, n. 6, c.c. abbiamo espresso il nostro consenso all'iscrizione nell'attivo dello stato patrimoniale di un avviamento per euro 48.968 migliaia. Gli Amministratori ritengono che, sulla base delle valutazioni effettuate, non sussistano indicatori di perdite durevoli relativamente a tale posta, tali da far dubitare che il suo valore recuperabile possa essere inferiore a quello contabile.

La Società ha predisposto il bilancio consolidato al 31 dicembre 2023, redatto in conformità agli *International Financial Reporting Standards (IFRS)* adottati dall'Unione Europea.

During the supervisory activity, as described above, no other significant facts raised, other than those already highlighted, that would require their mention in this report.

2) Comments on the financial statements

As reported in the report of the firm in charge of the statutory audit, "*the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union*".

The above-mentioned report states in the paragraph "*Other Matters*" the following: "*The financial statements of Guala Closures SpA for the year ended 31 December 2022 were audited by another auditor who issued an unmodified opinion on these financial statements on 28 April 2023*".

To the best of our knowledge, the Directors, in preparing the financial statements, have not derogated from the provisions of the law pursuant to Article 2423, co. 5 of the Italian Civil Code.

Pursuant to Article 2426, no. 5 of the Italian Civil Code we have expressed our consent to the inclusion in the assets of the balance sheet of developments costs, net of the related accumulated depreciation, for euro 924 thousand.

Pursuant to Article 2426, no. 6 of the Italian Civil Code, we have expressed our consent to the recognition in the assets of the balance sheet of a goodwill for euro 48,968 thousand. The Directors believe, based on the valuations made, that there are no impairment losses in relation to this item, such as to give rise to doubts that its recoverable value can be lower than the accounting value.

The Company has prepared the consolidated financial statements as of December 31, 2023, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

Il soggetto incaricato della revisione legale dei conti KPMG S.p.A. ha emesso in data odierna la propria relazione sul bilancio consolidato contenente un giudizio senza modifica. Nel paragrafo "*Altri aspetti*" della medesima relazione è riportato quanto segue: "*Il bilancio consolidato del gruppo Guala Closures per l'esercizio chiuso al 31 dicembre 2022 è stato sottoposto a revisione contabile da parte di un altro revisore che, il 28 aprile 2023, ha espresso un giudizio senza modifica su tale bilancio. La nota esplicativa "(5) Acquisizioni di società controllate, rami d'azienda e partecipazioni di minoranza" illustra gli effetti della riesposizione di alcuni dati comparativi relativi all'esercizio precedente, rispetto ai dati precedentemente presentati, a seguito del completamento del processo di purchase price allocation relativa all'aggregazione aziendale di Labrenta Srl*".

L'Azionista Unico, con lettera del 19 aprile 2024, ha rinunciato espressamente ai termini previsti dall'art. 2429 c.c. per il deposito della presente relazione, sollevandoci da qualsiasi contestazione.

3) Osservazioni e proposte in ordine alla approvazione del bilancio

Considerando le risultanze dell'attività da noi svolta e il giudizio espresso nella relazione di revisione rilasciata dal soggetto incaricato della revisione legale dei conti, non rileviamo motivi ostativi all'approvazione, da parte dell'Azionista Unico, del bilancio d'esercizio chiuso al 31 dicembre 2023, così come redatto dagli Amministratori.

Il Collegio Sindacale concorda con la proposta di destinazione del risultato d'esercizio formulata dagli Amministratori nella nota integrativa.

Si ricorda, infine, che l'Assemblea dell'Azionista Unico dovrà procedere alla nomina dell'Organo di Controllo, il cui mandato è in scadenza per decorrenza del termine triennale con l'approvazione del presente bilancio d'esercizio.

The firm in charge of the statutory audit KPMG S.p.A. has today issued its report on the consolidated financial statements containing a clean opinion. The paragraph "*Other Matters*" of the same report states the following: "*The consolidated financial statements of the Guala Closures group for the year ended 31 December 2022 were audited by another auditor who, on 28 April 2023, issued an unamended opinion on these financial statements. The explanatory note "(5) Acquisitions of subsidiaries, business units and minority shareholdings" illustrates the effects of the restatement of certain comparative data relating to the previous year, compared to the data previously presented, following the completion of the purchase price allocation process relating to the business combination of Labrenta Srl*".

The Sole Shareholder, by letter dated April 19, 2024, expressly waived the terms provided for by Article 2429 of the Italian Civil Code for the filing of this report, relieving us of any dispute.

3) Observations and proposals regarding the approval of the financial statements

Considering the results of our activities and the opinion expressed in the audit report issued by the firm in charge of the statutory audit, we do not see any reasons preventing the approval, by the Sole Shareholder, of the financial statements for the year ended December 31, 2023, as prepared by the Directors.

The Board of Statutory Auditors agrees with the proposal for the allocation of the result for the year formulated by the Directors in the notes to the financial statements.

Finally, it should be noted that the Sole Shareholder's Meeting will have to proceed with the appointment of the Board of the Statutory Auditors, whose mandate is expiring due to the termination of the three-year term with the approval of these financial statements.

Milano, 26 aprile 2024

Firmato nel testo originale in italiano

Il Collegio Sindacale

Dott.ssa Mara Vanzetta (Presidente)

Dott.ssa Fioranna Vittoria Negri (Sindaco Effettivo)

Dott. Massimo Gallina (Sindaco Effettivo)

Milan, April 26, 2024

Signed on the original Italian text

The Board of Statutory Auditors

Mrs. Mara Vanzetta (Chairwoman)

Mrs. Fioranna Vittoria Negri (Standing Auditor)

Mr. Massimo Gallina (Standing Auditor)

This report has been translated into the English version solely for the convenience of international readers.

Guala Closures

SUSTAINABILITY REPORT

2023

Translation from the Italian original which remains the definitive version

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

SUMMARY

LETTER TO THE STAKEHOLDERS

(GRI 2-22:2021)

Dear stakeholders,

We are pleased to present our 2023 sustainability report. As a global leader in the production of closures for spirits, wine, edible oil and water we are aware of the importance of a sustainable approach in our daily operations.

In fact, we have reached our third sustainability program, launched just last year.

Throughout 2023, we have worked rigorously to reduce our environmental impact and we are proud to have achieved our annual emissions reduction goals, in line with the targets validated by SBTi and set in the Sustainable Together 2030 Programme.

We have also optimized our production processes to reduce waste and we have started the process of obtaining the energy management systems certification in all the group's factories. We operate with a focus on using raw materials from renewable sources or with increased recycled content.

We are committed to further reducing our environmental impact in the coming years.

Improving the working conditions of our employees and contributing positively to the communities in which we operate is another area where we put our efforts, and we are proud to share with you our progress and goals for the future.

Regarding the well-being of our employees, we have implemented training and professional development programmes to ensure a safe and inclusive work environment and we have started with the health and safety management systems certification in our factories.

We worked to ensure fair working conditions and respect for human rights throughout our supply chain by undertaking a sustainability performance assessment of our strategic suppliers.

Finally, we continued to support local communities through corporate social responsibility projects and employee volunteering initiatives. We want to be an active and positive partner in the communities in which we operate, contributing to their development and well-being.

We are aware that our commitment to sustainability is an ongoing journey, and we are determined to do our part for a better future for all.

Mauro Caneschi

Chief Executive Officer

(signed on the original)

1. GROUP IDENTITY

1.1. THE GROUP

(GRI 2-1:2021; 2-6:2021)

#values

Guala Closures S.p.A ("Guala Closures" or the "group") is a single member company, and is a subsidiary of *Special Packaging Solutions Investments S.à r.l.*

Founded in 1954 in Alessandria, in 2007 it moved to Spinetta Marengo where it maintains its registered office, while the headquarters are in Milan. The group operates on a global level in the production of closures for spirits, wine, oil, water and a wide range of other beverages.

Guala Closures is a world leader in the field of safety closures, which are an indispensable tool against the adulteration and counterfeiting of beverages.

The Group also operates in the production of PET (polyethylene terephthalate) bottles.

THE HISTORY OF GUALA CLOSURES		
1954 Foundation of the original company, which specialised in the production of plastic components.	**50s-60s** Development and launch of the first patented warranty closures. Started exporting to Scotland.	**70s-80s** Intensive international business expansion and, in terms of research and development, various product series launched on the market.
90s-2000s In 1998 Guala Closures SpA was founded. In recent years, production and commercial development has continued in Italy, Europe, North America and Oceania.	**2010s** In 2011, the group introduced the Corporate Social Responsibility (CSR) programme. The group's widespread presence in the world continues, now also present in Africa (South Africa and Kenya), South America (Chile) and India.	**2020s** Introduction of the Diversity and Inclusion (D&I) Charter. In 2021, the group joined the United Nations Global Compact. In 2023, the new sustainability programme "Sustainable Together 2030" was defined.

The group's business is founded on the pillars of innovation, sustainability, and excellence, to guide the pursuit of the corporate vision and mission.

Below are the essential principles of company's philosophy.

Vision

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

Mission

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

The pillars that guide group's vision and mission

EXCELLENCE: the group works to provide the best possible products and services, aiming to make our customer's brands stand out.

SUSTAINABILITY: Guala Closures is committed to promoting the goal of continuous and constant sustainable development in all companies within the group, in order to contribute to growth that respects the environment, the society and the economy.

INNOVATION: the group explores new solutions and opportunities, sets up integrated projects able to overcome traditional aesthetic canons. Through research and development, Guala Closures improves production processes with an innovative approach, in order to offer products that stand out in today's increasingly competitive market.

1.2. PRODUCT LINES

(GRI: 2-6:2021)

Guala Closures is specialised in the manufacturing and sale of a wide range of closures and products for a variety of spirits, beverages and condiments.

In terms of innovation, the group has always been dedicated to the research and development of new solutions to protect quality, reputation and customer satisfaction, for the customisation of the design and functionality of each product. In any case, Guala Closures distinguishes three main product categories, *safety, roll-on and luxury*.

Safety closures (35.5%)[1]

Closures that use the best security technologies to provide their partners, especially spirits producers, with effective and tailor-made solutions to combat the counterfeiting of their products, through non-refillable valve systems.

Roll-on closures (46.1%)

Highly versatile aluminium closures that are suitable for many applications, such as wine and water bottles, fruit juices and other soft drinks, oils and condiments. The group's offer ranges from generic closures to capsules with patented systems for tamper-evident evidence.

Luxury closures (13.9%)

Premium closures using a high-quality selection of materials and excellent customizable designs and finishes. The luxury line is mainly intended for spirits producers who wish to enhance the prestige and exclusivity of their product.

1.3. GROUP STRUCTURE AND GLOBAL PRESENCE

(GRI:2-6; 2021)

Guala Closures S.p.A., with registered office in Alessandria and executive office in Milan, is the parent company of Guala Closures Group.

Guala Closures has a widespread global presence that is guaranteed through multiple industrial, commercial, and research and development companies located on five continents. In Figure 1 the company organisation chart at December 31, 2023 is shown.

[1] The percentages indicated derives from the group's 2023 turnover, where the three product lines account for 95.5% of total revenues.

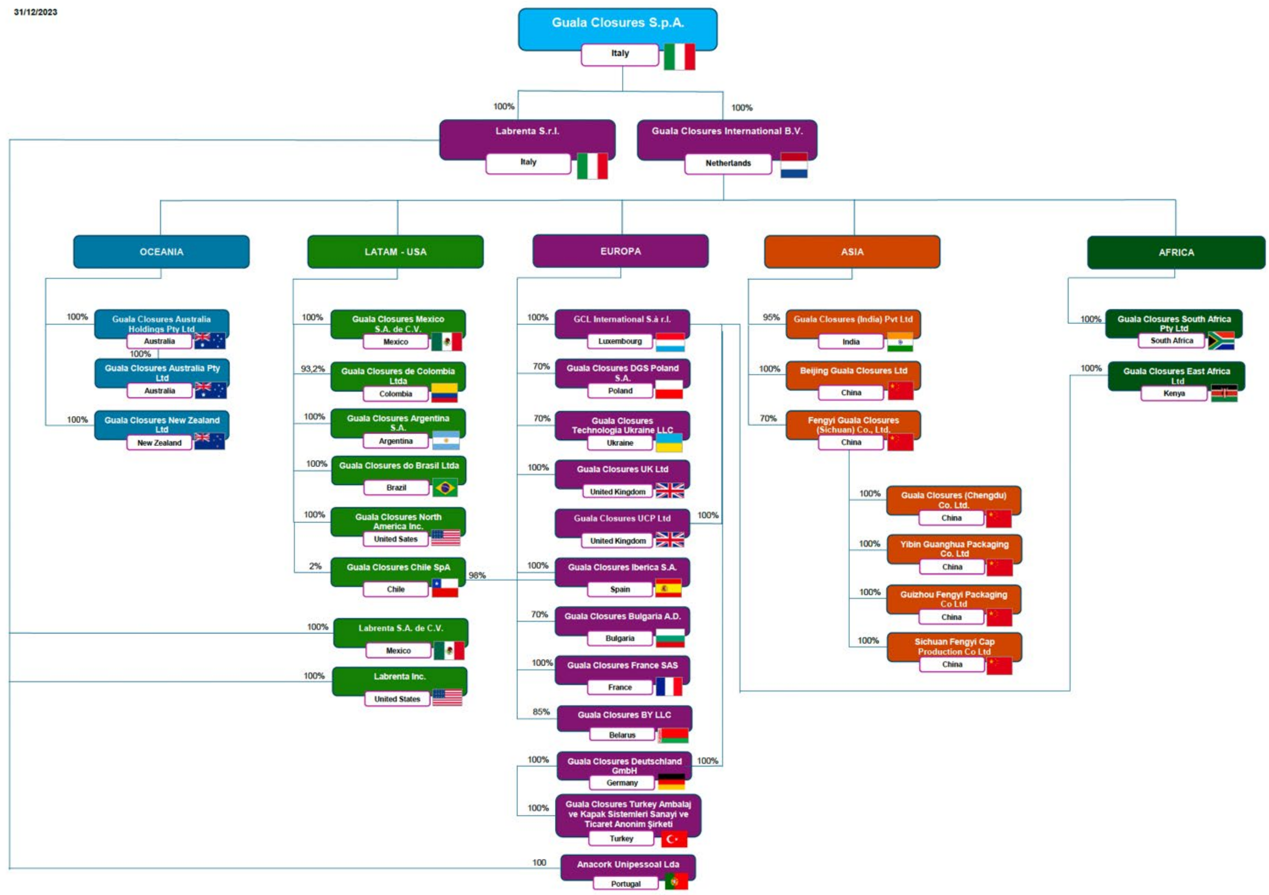


Figure 1 - group organisational chart as at 31 December 2023 with relative percentage of share capital held by the parent Guala Closures S.p.A[2]

2023 saw the acquisition of a majority stake in the Chinese company Yibin Fengyi Packaging Co. and the creation of a new corporate entity "Fengyi Guala Closures" incorporating the group's entire activity in China. The inactivity of the Minsk plant in Belarus, whose company is part of the current corporate organization chart, continues in 2023.

The multinational group consists of 33[3] plants (Table 1), two sales offices and seven R&D centres. Each plant is equipped with a logistics structure (internal or external) that deals with the management of shipments to customers. From a commercial point of view, the product lines are sold through the sales offices that are present in all production plants and through an extensive network of agents for other areas globally.

The 7 R&D centres are crucial for the group, as they represent the place where new ideas and highly innovative prototypes are first developed and then put into production (Paragraph 3.2).

---

2 The Guala Closures Group considers companies that it does not own 100% as significant business partners.

3 The total number of plants and offices and the information contained in this first chapter refer to the group as a whole. The boundary of the data expressed in the following chapters is explained in the Methodological Note.

Table 1 - factories around the world

EUROPE					
BULGARIA Kazanlak	**FRANCE** Chambray Les Tours	**GERMANY** Worms	**ITALY** Magenta Spinetta M.go Termoli Breganze Milano (offices)	**POLAND** Wloclawek	**UK** Bridge of Allan Kirkintilloch
SPAIN Jerez Olerdola	**UKRAINE** Sumy Ternopil	**PORTUGAL** Anacork			
NORTH AMERICA					
MEXICO S.J. Iturbide	**USA** Fairfield				
SOUTH AMERICA					
ARGENTINA Chivilcoy	**BRAZIL** São Paulo	**COLOMBIA** Bogota	**CHILE** Santiago de Chile		
OCEANIA					
NEW ZEALAND Auckland	**AUSTRALIA** Melbourne				
ASIA					
CHINA Chengdu Yibin Luzhou Guizhou	**INDIA** Ahmedabad Daman Dharwad Goa				
AFRICA					
KENYA Nairobi	**SOUTH AFRICA** Cape Town				

1.4. PRODUCTION PROCESSES

(GRI:2-6; 2021)

#valuechain

The group's production processes require a wide supply of raw materials, mainly plastic and aluminium, which are the most widely used materials in closures. For their supply, the group makes use of strategic suppliers with whom it has built solid relationships in order to guarantee the capillarity of supplies in the individual plants.

The group's processes are carried out in:

- 11 factories that produced aluminium closures;
- 10 production sites specialised in plastic closures;
- 5 plants that integrate processes for aluminum and plastics;
- 3 factories specialised in plastic and wood closures;
- 2 production sites that manufacture plastic, aluminium and wood closures;
- 1 production site that produces semi-finished cork products.

In addition, the plant in Magenta (Italy) hanldes the degreasing, cutting and lithography of aluminium, playing a key role in the production process as it supplies aluminium foil to other plants that use it in their production processes.

The group also includes in its factories the processes of decorating closures to guarantee its customers customized products that reflect the values and image of the brand, impeding the reproducibility and counterfeiting of closures.

1.5. STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

(GRI 2-14:2021; 2-28:2021; 2-29:2021; 3-1:2021; 3-2:2021; 3-3:2021)

#stakeholderengagement #stakeholder #materiality

Guala Closures Group demonstrates a strong commitment to creating an organisational culture based on collaboration with all stakeholders, through a regular and active dialogue channel aimed at identifying priorities and common spaces for inclusive growth.

The diverse range of stakeholders with which the group interacts, including shareholders, investors, customers, suppliers, employees and local communities, reflects the breadth and complexity of the challenges and opportunities present in the changing global environment. Welcoming stakeholders' perspectives allows us to understand their interests, minimises risks and allows us to develop projects that can contribute to the economic development of the company and the well-being of everyone involved.

Figure 2 - stakeholders of the Guala Closures Group

Guala Closures Group adopts a strategy for stakeholders' involvement that reflects the diversity of its relationships and specific needs of each interest group. The frequency and way of communication (dedicated meetings, e-mails, surveys) depends on the specific needs of each identified macro-category (Figure 2):

- **customers and the market:** the group organises at least one annual meeting with its customers and strategic suppliers, to strengthen collaboration by discussing past results and defining new targets for the future together;
- **internal stakeholders:** employees are regularly informed through periodic newsletters sent by the group's management; moreover, specific considerations and feedback are collected in a capillary manner through the annual performance evaluation process, whose procedures are distinct and take into consideration local needs;
- **local communities and territory:** these categories are closely linked, developed by each group plant through more informal communication that responds to the peculiarities of each specific situation in which the company operates;
- **institutional stakeholders:** the group has established an intense dialogue with certification and control bodies, trade unions and public authorities to develop constructive and trusting relationships, in compliance with national and international regulations.

In addition, the group is actively involved in direct participation in some sector associations, such as the Italian Institute of Packaging, the Aluminium Closures Group and CETIE (Centre Technique International de l'Embouteillage e du Conditionnement).

One of the main activities for which stakeholder involvement is essential is the development of materiality analysis, which is a necessary tool to focus on corporate priorities and objectives, identifying the relevant impacts and issues to be reported.

During 2023, the company integrated the analysis activity carried out in 2022, improving some phases of the process in order to capture new elements in the contexts considered and in the group's activities.

The first phase involved a review of the context in which the group operates and the characteristics of its activities, considering the environmental, social, economic and operational point of view, in order to identify in the most complete way the possible impacts that can be generated by the company itself, and the corresponding material issues. The list of impacts and material issues was also drawn up through the study of good practices in the sector and taking the reporting standards of the Global Reporting Initiative (GRI) 2021 as a reference guide. For the 2023 analysis, we started from the initial list of impacts resulting from the survey developed in 2022 and aimed at internal and external stakeholders of the group.

In the second phase, a qualitative analysis of the identified impacts was carried out, with the involvement of the company's risk management function to define the actual and potential impacts, the positive and negative ones. In addition to the risk management function, various corporate functions and external consultants participated in the audit activity to ensure the broadest possible vision.

In the third phase, the significance of the impacts identified in the previous phases was assessed, through internal analysis activities. It was determined by ranking each impact from 1 to 4 to define their probability and severity. The values assigned gives a result called a priority index. For the various impacts associated with the single topic, the average between them is then calculated, in order to obtain a single priority index for each topic.

By setting the index significance threshold at 6.5, it was possible to draw the line between the issues defined as critical less material to the Guala Closures Group and its stakeholders. The list of 18 themes identified is available in Table 2, where they are grouped according to the social, environmental, and governance/economic spheres: the issues that emerged above the threshold are all equally material.

The results of the materiality analysis are validated by the company's senior management and approved by the Chief Executive Officer. For 2023, the approval process carried out in 2022 was confirmed as the integration of the materiality analysis carried out confirmed the material issues previously identified and added the topic of "air pollution" as relevant.

Table 2: list of material topics of the Guala Closures Group

MATERIAL TOPIC	CONTEXT
Occupational health and safety	Social
Diversity & inclusion	Social
Employee development and training	Social
Human rights	Social
Greenhouse gas emissions	Environmental
Water management	Environmental
Energy transition	Environmental
Air pollution	Environmental
Use of recycled raw materials	Environmental
Waste reduction	Environmental
Environmental management systems	Environmental
Supply chain engagement & sustainability	Governance/Economic
Innovation and eco-design	Governance/Economic
Customer satisfaction	Governance/Economic
Product quality and safety	Governance/Economic
Data privacy & cybersecurity	Governance/Economic
Ethics, integrity and transparency	Governance/Economic
Economic performance	Governance/Economic

Table 32 in the Appendix shows the material issues and the impacts associated with them. In addition, the Guala Closures Group's approach to managing impacts is described, collecting the present and future activities that characterize its management.

The materiality analysis and the list of impacts are reviewed annually. As early as 2023, the group is studying and defining a new analysis process that also includes double materiality in the assessments, as required by the European Reporting Standards (ESRS) in force from 2024.

2. CORPORATE GOVERNANCE

Guala Closures focuses on the goal of creating value for all stakeholders by applying the principle of social responsibility and the values that guide all operational activities:

- **Transparency**: Guala Closures seeks clarity, completeness and correctness of information, activities carried out and interpersonal relationships;
- **Professionalism:** the group is dedicated to offering personnel training and growth in the context of a culture based on continuous improvement;
- **Protection and well-being of the environment:** Guala Closures is committed to ensuring occupational health and safety and, minimising the impact on the environment and local communities;
- **Recognition and awarding of results:** relations within the group are based on a full disclosure of the goals and the evaluation criteria applied in relation thereto to recognize and reward our human resources.

2.1. CORPORATE GOVERNANCE

(GRI: 2-9; 2021; 2-10; 2021; 2-11; 2021; 2-14; 2021; 2-15:2021; 2-19:2021)

#transparency #BoD #BoDcomposition

Guala Closures adopts the traditional administration and control system, consisting of a set of rules and procedures aimed at ensuring efficiency, effectiveness and corporate transparency. The corporate govenance system comprises the shareholders' meeting, the board of directors and the board of statutory auditors.

The main objective of governance is the protection of shareholders and all *stakeholders* through the correct management of activities and information: the shareholders' meeting is, in fact, the governance body that deliberates on the issues defined by the applicable law and the bylaws, it approves the financial statements, any amendments to the bylaws and non-recurring transactions. The shareholders' meeting is responsible for appointing the members of the board of directors and the board of statutory auditors. Please refer to the bylaws for information for the appointment procedures and criteria, composition, duration, replacement and remuneration of the members of theses bodies.

The board of directors plays a central role in strategic positioning and organisational coordination to ensure satisfactory business performance and exercises broad powers with the aim of achieving the company's objectives, including the assessment of performance, risks and opportunities, and the economic, environmental and social impacts of the group. The board of directors also approves the corporate strategy, the annual budget, the financial statement and the sustainability report. As part of the mitigation of conflicts of interest, a procedure for related parties is not currently implemented.

Table 3 shows the composition of the Board of Directors as at 31.12.2023.

Table 3: composition of the board of directors at 31 December 2023

ROLE	PERSON IN CHARGE
Chairmain	Gabriele Del Torchio
CEO	Mauro Caneschi
Director	Francesco Bove
Independent director	Marina Brogi
Director	Giovanni Casali
Director	Roberto Maestroni
Independent director	Chiara Palmieri
Director	Dante Razzano
Director	Francisco Javier De Juan Uriarte
Independent director	Raffaella Viscardi

The board of statutory auditors is responsible for monitoring the company's activities in compliance with laws, regulations and statutory provisions. It is dedicated to ensuring compliance with the principles of proper administration with particular reference to ensuring the adequacy of the company's organisational structure and its functioning. The board of statutory auditors is appointed at the shareholders' meeting in accordance with the procedures defined by the bylaws, and its members have the right to inspect and review and they serve a three-year terms. Table 4 shows the members at 31 December 2023.

Table 4: composition of the board of statutory auditors at 31 December 2023

ROLE	PERSON IN CHARGE
Chairperson and statutory auditor	Mara Vanzetta
Auditor	Massimo Gallina
Auditor	Fioranna Vittoria Negri
Alternate auditor	Massimiliano Di Maria
Alternate auditor	Mariateresa Salerno

2.2. SUSTAINABILITY GOVERNANCE

(GRI: 2-12:2021; 2-13:2021; 2-17:2021)

To define and implement its own sustainability programmes (see paragraph 3.1 for the current "Sustainable Together 2030" programme) Guala Closures has established a precise organisational structure that assigns specific roles and functions to achieve the objectives defined in the context of the strategy and impact management. The Sustainability Board comprises a central internal committee, called the Core Board, and three groups dedicated each of the programme's thematic areas (*Environment: products & projects*, *Social* and *Governance)*.

Figure 3 - the Sustainability Board's areas of action

The three groups are made up of department heads and members of the corporate sustainability team, in order to combine specific skills related to sustainable development in the governance committees with knowledge and operational roles related to ESG issues. The objective of the specific committees is to develop detailed operational plans for the achievement of the strategic sustainability objectives that are defined by the Core Board. The central team, whose members are appointed by the CEO, then establishes the scope of the company's sustainability strategy and then validates, disseminates and monitors the operational roadmap.

The Core Board was renewed at the end of 2023, made official in January 2024 and comprises of the following seven members:

- Paolo Lavazza, Sustainability Director;
- Piero Cavigliasso, Human Resources Director;
- Stefano Picchiotti, Chief Legal Officer;
- Arturo Martorelli, Sales & Marketing Director;
- Armando Finis, Regional Director;
- David Stevenson, Regional Director;
- José Louis Gutierrez, Regional Director.

In addition to these management committees, 9 years ago, the group has established a department dedicated to sustainability: the team offers its expertise in the field to the entire group, supporting country managers and business units in the sustainable development of activities. At local level, sustainability representatives have been set up in each business unit, and support the country manager in adapting the action plans defined by the strategy to local needs.

2.3. GROUP'S POLICIES

(GRI 2-23:2021; 2-24:2021; 2-26:2021; 2-27:2021)

The group's management has a clear sustainable growth strategy, which includes responsible business conduct. This requires a continuous commitment from all Guala Closures facilities, not only to comply with current laws, but also to go above and beyond to adopt practices that favour the well-being of communities, the environment and the human rights. Company policies play a critical role in this context, as they outline the guidelines and objectives that guide business behaviour and decisions.

Company policies are drawn up at corporate level, taking into account the principles, values, context, expectations of the group and international standards. They are signed by the chief executive officer and disseminated to all interested parties, through publication on the company website and posting on internal bulletin boards but also through direct transmission, for example via e-mail to significant stakeholders (e.g. suppliers) or to personnel during training sessions.

The company's policies reflect a commitment to environmental sustainability. This involves taking steps to reduce the environmental impact of business operations, such as reducing greenhouse gas emissions, energy efficiency, and managing natural resources responsibly. The policies also encourage innovation and the development of sustainable products and processes.

Secondly, company policies promote respect for human rights throughout the value chain. This means a commitment to ensuring safe and adequate working conditions for all personnel along the supply chain. These policies prohibit child labour and the use of forced labor, as well as ensuring equal opportunities and fair treatment for all.

In addition, these company policies promote transparency and accountability. In this regard, the plants transmit data and information about their practices, the frequency and methods of which are determined by senior management, providing an accurate evaluation of its performance in terms of corporate social responsibility. This includes disclosing information related to the social, environmental, governance, and economic impacts of business operations.

Finally, company policies are supported by effective monitoring and control mechanisms to ensure compliance with and implementation of them. These mechanisms, for example through audits and due diligence checks, provide for the analysis of existing activities with respect to what is defined by company policies and the timely resolution of any problems found. Thanks to these policies, there were no significant cases of non-compliance with laws and regulations in 2023 as well.

In summary, an effective commitment to responsible business conduct is ensured through the implementation of clear, comprehensive and decisively implemented company policies in all plants, including through a clear allocation of operational responsibilities at the local level.

Code of Ethics and Conduct

Also in the context of responsible business conduct, for many years the group has adopted the Code of ethics and conduct, the latest version of which was approved by the board of directors in 2022 and updated in 2023. The Code of ethics represents the set of all the ethical principles and rules of conduct that must be followed by every person belonging to the group. The Code of ethics is the reference point for acting in compliance with the principles of integrity, transparency and fairness in all the countries in which the group operates. The Code of ethics is valid all over the world and its principles are adopted by employees but also shared by the main suppliers and business partners. The objectives of the Code of ethics are:

- define and make explicit the values and principles that characterise the group's activities and relations with employees, collaborators, customers, suppliers, shareholders, institutions and any other interested party;
- formalise the commitment to ensure that all corporate components always behave in a fairly, transparently and correctly manner, in compliance with all applicable regulations;
- reaffirm its focus on human beings in a business model that is sustainable and successful, while committing to protecting the legitimate interests of investors and all stakeholders;
- communicate to employees and collaborators the values, rules of conduct and responsibilities that they are required to respect in carrying out their work.

To ensure its compliance, Guala Closures is dedicated to a periodic dissemination of the document both for employees and stakeholders as well as members of the governance bodies.

In addition to the Code of ethics and conduct, the group has developed various policies that respond to the necessary combination of the commitments made as part of a sustainable development strategy and the objective of increasing profitability and maintaining market leadership:

- Environmental and OH&S policy
- Energy policy;
- Quality and food safety policy;
- Sustainability policy;
- Land acquisition and biodiversity policy;
- Human rights policy and on ethical-social aspects;
- Modern Slavery and Human Trafficking policy.
- Gender equality policy.

The responsibility for managing these issues lies with the entire company structure and everyone, according to their skills and assignments, participates in the achievement of the objectives of this policy.

Environmental and OH&S policy

This policy aims to meet and comply with compliance obligations on environmental and occupational health and safety issues, assessing the risks and opportunities associated with them. The intent is to develop operational activities that safeguard the environment and guarantee healthy and safe working conditions through training, awareness and consultation of workers and external collaborators.

Energy policy

This policy focuses on the analysis and management of energy consumption in order to define objectives for improving processes with a greater energy impact. The policy emphasises the importance of energy efficiency, emphasising the relevance of the best energy performance benchmark as a criterion for the purchase of new energy-using equipment, installations or services.

Quality and food safety policy

The policy focuses on both compliance with food packaging regulations and customer satisfaction, acting proactively and through responsible use of resources. The policy envisages the achievement of these objectives through the control and technological development of products and processes, involving key suppliers to pursue optimisation and continuous improvement. It also aims to invest in the availability of skills and the promotion of workers' professional development.

Sustainability Policy

The document articulates the elements, commitments and objectives that the group has defined in compliance with the 10 principles of the UN Global Compact and on the basis of the broader concept of sustainable development.

In fact, the group's principles expressed in this policy enhance the concepts of sustainable growth committed to reducing the impacts generated along the supply chain; the group is dedicated to spreading the culture of sustainability, increasing the awareness of the actors involved, also through the engagement of stakeholders through dialogue and discussion with them. All this while effectively and transparently communicating Guala Closures' performance.

With this policy, the group is committed to acting in compliance with the highest ethical and social standards, defending the environment and its resources, creating value and enhancing human capital. The policy also sets out environmental, social and governance objectives that are part of the "Sustainable Together 2030" programme, which is covered at length in the following paragraph 3.1.

Land acquisition and biodiversity policy

Guala Closures will never acquire land in a forced manner: this policy expresses the group's position in this regard, as land must be acquired through free negotiation and adequate compensation. The document makes explicit the respect for the rights and culture of local communities, which must benefit from the existence of industrial areas. The group also aims to safeguard the flora and fauna of new production facilities and to mitigate in general the risks to biodiversity associated with operational activities.

Human rights policy and on ethical-social aspects

Through this policy, Guala Closures makes explicit respect for civil, political and social rights: personal, thought, religious, economic, association freedom and freedom to act in respect of the civil rights of others. In the document, the group elaborates on how it is committed to guaranteeing not only the freedoms listed, but also fair and favourable working conditions, the rights of local communities, respect for equal opportunities, diversity, non-discrimination and human rights along the supply chain.

Modern Slavery and Human Trafficking Policy

Strongly connected with the previous policy, it declares the group's commitment to respect for human rights, especially with regard to forced labour, non-voluntary labour, child labour and trafficking in human beings. The document contains a statement regarding modern slavery and lists a number of actions aimed at addressing the risk.

Gender equality policy

This policy, developed and approved by top management in 2023, aims to ensure that everyone has the same opportunities for professional growth, through the creation of an inclusive environment, involving staff and stakeholders with awareness-raising initiatives on the issues of equal opportunities, discrimination and diversity. The group supports an equal and merit-based culture, monitors developments through initiatives dedicated to women's empowerment. The goal is to build a serene work environment, where a principle of "Zero Tolerance" is applied towards any form of violence or harassment in the workplace.

The application of this policy is currently limited to the Italian perimeter and its implementation is delegated to the figure of the diversity manager and the steering committee for gender equality, created precisely for the development and compliance with what has been defined.

2.4. ANALYSIS AND MANAGEMENT OF RISKS AND OPPORTUNITIES

(GRI 2-12:2021; 2-13:2021; 2-16:2021; 2-25:2021)

#riskmanagement

The Guala Closures Group's internal control and risk management system promotes careful and correct corporate management, in line with the short, medium and long-term objectives set by the Board of Directors. The system in place at Group level makes it possible to identify, measure, manage and monitor the main risks, opportunities and related impacts for the company as a whole, as well as ensuring simultaneous communication of the necessary information to governance bodies and stakeholders.

In order to ensure access to reliable, up-to-date and timely information, the Guala Closures Group annually reviews and updates the analysis of risks and opportunities. The board of directors is responsible for adopting a structured internal control system, which delegates, through the chief executive officer and the risk manager, the management of analysis and reporting activities, which are coordinated at corporate level through the involvement of all the heads of the departments/functions as well as the group's shareholder.

The Guala Closures Group has an internal control and risk management system that provides, among other elements, for the definition of an integrated process for the management of risks and opportunities, the main objective of which is to adopt a structured, systematic and integrated approach, in particular, for the identification and assessment of the company's priority risks with potential negative effects and the subsequent definition of appropriate actions to mitigation.

In order to identify the company's priority risks, the group has defined and periodically updates its risk model and applies specific *Risk Evaluation & Mapping methodologies* that make it possible to attribute a numerical value of relevance (inherent and residual) to the identified risks, given by the overall result of the probability of occurrence, the robustness of the risk management mechanisms and the general impact or magnitude of the same with respect to economic-financial, operational, reputational and sustainability drivers.

At the company level, integrated risk management, developed in accordance with the "CoSO-ERM" reference framework and national and international best practices, involves the identification, assessment and analysis of risks. It provides for the assessment of events that may lead to strategic, external, financial and operational risks at corporate level and the monitoring of top risks, thus providing an update of Guala Closures' risk profile in relation to strategic and management objectives. The risk assessment is regularly carried out and updated on an annual basis through several meetings with the heads of the various functions.

The results of the analyses, the assessments of the risks that have emerged and the related audit, monitoring and risk verification plans are submitted to the control bodies and the board of directors, which, in acknowledging them, can in various ways provide specific inputs to the management and to the internal audit and risk management function in order to increase further verification interventions.

2.4.1.EVENTS INVOLVING RISKS

As reported in the paragraph 3.1 Analysis and management of risks and opportunities of the directors' report, Guala Closures is exposed to strategic, operational, financial and external risk factors that may be associated with both its business activities and the sector of activity in which it operates. The occurrence of such risk events could have negative effects on the group's operating and business activities, as well as on the group's economic, financial and equity performance.

The following are the main risk factors present in the risk model that are periodically identified, analysed, evaluated and managed by Guala Closures' management:

- Financial risks
- Strategic risks related to industrial and product development
- Strategic business development risks
- Strategic market and competition risks
- Risks arising from the external context (macroeconomic, environmental and socio-political)
- Compliance and regulatory development risks
- Governance and organizational risks
- Commercial risks
- Production and logistics risks
- Risks associated with the management of assets
- Human resources risks (operational, regulatory and human rights, development and retention, diversity and inclusion)
- Information technology risks
- Reporting and disclosure risks
- Risks in the management of relations with external stakeholders

For further details on the nature of the risks identified and their management, please refer to the 2023 directors' report.

3. THE GROUP'S SUSTAINABILITY STRATEGY

Guala Closures Group's commitment to sustainability came to fruition in 2011 with an initial programme involving Italian plants.

In 2016, the sustainability programme was extended to the entire group and has led to many successes, including the launch of the Diversity and Inclusion Charter and its entry into the UN Global Compact.

To contribute more and more to building a better future for its entire value chain, in 2023 the group launched its third "Sustainable Together 2030" programme.

3.1. SUSTAINABLE TOGETHER 2030

(GRI 2-18:2021)

Sustainable Together 2030 aims to work on three priority areas:

- *Environment*, in order to help preserve the planet;
- *Social*, to promote and develop the conditions for the well-being of employees and the communities in which the group operates;
- *Governance*, with the aim of ensuring ethical business and transparent processes along the value chain, ensuring a product with high standards of quality and safety.

For each of the three areas of work, areas for improvement, objectives with deadlines up to 2030 and related monitoring indicators have been defined to track their progress over time.

The Environment sector (Table 5) it has four main areas of work:

- the management of climate-altering gas emissions;
- water resources management;
- waste management with a specific focus on hazardous waste and waste to landfills;
- the implementation of energy management systems according to the ISO 50001 standard.

The areas of work in the Social sector (Table 6) are focused on:

- occupational health and safety, through the dissemination of the "Zero Accidents" culture and the gradual implementation of ISO 45001 certification in the group's plants;
- diversity and inclusion, insisting on gender equality, the inclusion of people with disabilities and stimulating collaboration and interaction between different generations;

Finally, Governance (Table 7) has among the areas of work:

- ethics and transparency through the dissemination of the code of ethics to all group employees;
- the engagement of the group's strategic suppliers through the sharing and signing of the Code of Ethics and Conduct and the evaluation and monitoring activities.

Table 5, Table 6, Table 7, summarise the objectives and monitoring indicators for each area of the Sustainable Together 2030 programme.

The progress of the activities for each area of the programme is described in the following chapters.

Table 5: Sustainable Together 2030 Programme – Environment

AREA	DESCRIPTION	OBJECTIVE	UNITS OF MEASUREMENT	BASELINE		TARGET	
				Year	Value	Year	Value
Carbon footprint reduction	Grow and innovate while reducing greenhouse gas emissions, with targets validated by the Science Based Target initiative	-44% CO2 emissions in Scope 1 and Scope 2	tCO2e	2020	156,191	2030	87,446
		-25% in intensity of indirect CO2 emissions in Scope 3	tCO2e/mln closures	2020	27.2	2030	20.4
Preserving water resources	Acting on industrial processes to reduce water consumption in factories	-15% water withdrawal	m3/mln closures	2022	13.43	2030	11.41
		- 25% water withdrawal in areas of high water stress	m3/mln closures	2022	13.65	2026	10.24
Zero waste	Properly manage waste and reduce its impact through eco-design strategies and the use of recyclable or renewable materials	Zero waste to landfill	%	2022	4.3	2030	0
		Less than 5% hazardous waste	%	2022	7.5	2030	<5
Energy management system	Improve energy efficiency, reduce energy consumption by certifying plant energy management systems	100% of factories certified ISO 50001	%	2022	0/4	2024	100 % (Italy)
					1/14	2026	100% (Europe)
					1/28	2030	100% (Group)

Table 6: Sustainable Together 2030 Programme – Social

AREA	DESCRIPTION	OBJECTIVE	UNITS OF MEASUREMENT	BASELINE		TARGET	
				Year	Value	Year	Value
Health and safety first	Spread the "zero accident culture" by implementing tools to reduce or avoid potential risks	Year by year reduction in accident frequency index	(Nr of accident *1000000)/worked hours	2022	6.54	2030	Year by year reduction
		100% of factories ISO 45001 certified	%	2022	0/4	2023	100 % (Italy)
					2/14	2026	100% (Europe)
					2/28	2030	100% (Group)
HSE training	Increase employee awareness of environmental, health, and safety issues	+ 30% HSE training	Hours/person	2022	6.31	2030	8.2
Diversity & inclusion	Ensure the integration and professional development of employees in a fair work environment,	Promoting gender equality	NA	NA	NA	2023	Gender pay gap analysis to define the baseline

AREA	DESCRIPTION	OBJECTIVE	UNITS OF MEASUREMENT	BASELINE		TARGET	
				Year	Value	Year	Value
	where everyone is valued in their diversity		Parenthood Support Policies	2022	NA	2023	Introduction of at least one policy per BU
			Training for women's professional development	2022	NA	2024	% of women that participate to professional growth training program above the % of women within the group
		Strengthening intergenerational interaction	Number of projects and measure of effectiveness	2022	NA	2025	At least one project per BU
		Inclusion of people with disabilities	Number of traineeships for people with disabilities	2022	NA	2025	At least one internship per BU

Table 7: Sustainable Together 2030 Programme – Governance

AREA	DESCRIPTION	OBJECTIVE	UNITS OF MEASUREMENT	BASELINE		TARGET	
				Year	Value	Year	Value
Supply chain	Integrate sustainability into the supply chain, promoting the group's ethical principles at all levels, among suppliers and partners.	100% of strategic suppliers[4] monitored on sustainability performance[5]	%	2022	46	2023	100
		100% of strategic suppliers signatories to the Code of Ethics	%	2022	0	2023	100
Ethics and transparency	Improve sustainability ratings and disseminate the principles of the Code of ethics at all levels of the group	Achieve EcoVadis gold rating	EcoVadis Rating	2022	NA	2023-2030	Achieve gold rating and maintain status
		100% of employees trained on the Code of ethics	%	2022	48	2023	100 (Italy)
					0	2024	100 (Group)

[4] they supply raw materials and services to support production to several of the group's plants and have an annual turnover of more than 200,000 euros

[5] internal or independent third-party assessments, SMETA audits or similar

3.2. INNOVATION AND ECO-DESIGN

Achieving the goals set through the Sustainable Together 2030 program implies constantly investing in research and development of new solutions capable of:

- respond to customer and market needs;
- minimise negative impacts on the environment;
- provide high levels of safety and product quality;
- respond to new packaging regulations.

For this reason, the Guala Closures Group, thanks to the expertise of all departments, has developed over the years a design method that is based on four principles, enclosed in the guidelines for product eco-design.

1. DESIGN TO REDUCE

Principle based on saving everything that is not necessary, reducing the amount of resources used to make a product has a lower impact on the environment.

2. DESIGN TO CHANGE

Principle based on the reduction of the use of exhaustible resources through the evaluation of alternative ones. An example of this is the use of recycled products (where possible) and products from renewable materials.

3. DESIGN TO FADE

A principle that leads us to think in terms of the end of life, studying materials that are biodegradable and that are not destined for landfill or incineration.

4. DESIGN TO REVIVE

This principle leads to the design of recyclable closures at the end of their life, while at the same time helping to save virgin raw materials.

To achieve its commitment to innovation, the group has also set up seven research and development centres over time that work in collaboration with all the group's functions to support all its plants.

The centres are located in different areas of the world: Italy (Spinetta Marengo and Breganze), Mexico (San José Iturbide), Bulgaria (Kazanlak), Ukraine (Sumy), UK (Kirkintilloch) and China (Chengdu). The latter was born in 2023 thanks to the union between the Group's Chinese research and development team and that of its partner Yibin Fengyi Packaging Co., one of China's leading manufacturers of closures and boxes operating in the premium market of Baijiu, China's most renowned traditional spirit.

In 2023, more than 200 new products were developed and launched on the market. This number reflects the attention given to two market segments: luxury closures and safety closures.

As far as the former are concerned, the availability of materials and solutions allows the group to be the preferred partner of brands and design agencies. In addition, the integration of sustainability principles into research and development activities has made it possible to introduce alternative polymers, expanding the range of luxury closures.

Given the strong sensitivity to these issues in Europe and the UK, most products launched in these areas already use these polymers.

Examples of new products launched during 2023

New range of luxury closures made with both conventional polymers and alternative polymers (bio-based or recycled)

A range of closures made of different materials to achieve designing games.

Range of closures made with secondary raw materials derived from distillation waste (agave fibres) instead of polymers.

As far as safety closures are concerned, the group has been studying solutions for years to avoid the phenomenon of alcohol counterfeiting, which, according to the latest customs data available, is increasing worldwide, also driven by online sales (e-commerce).

Specifically, the research and development function is studying sophisticated production and decoration methods, with a high level of technology, so that they are difficult to replicate by any counterfeiters.

In order to protect its products and defend customers' brands, the group has equipped itself over the years with an Intellectual Property (IP) protection service, which, between 2016 and 2023, led to the development of 34 new patents (5 of which were developed during 2023) and not to incur lawsuits relating to intellectual property infringements.

3.3. MANAGEMENT SYSTEMS AND CERTIFICATIONS

(GRI 2-25:2021)

The Sustainable Together 2030 programme includes challenging objectives with defined deadlines, which require constant measurement to verify their progress over time; All this is possible thanks to the implementation of various management systems, certified according to international reference standards, all of a voluntary nature.

The management systems cover the areas of quality, food safety, environment, energy and occupational health and safety.

To date, not all group companies have achieved all the certifications, but there is a gradual extension programme (Table 8) to all the establishments belonging to the individual companies. In addition, each new acquisition is part of the plan to extend all certifications with timelines to be defined.

Table 8: plan for the extension of certified management systems in the different plants

COUNTRY (ESTABLISHMENT)	ISO 9001	ISO 22000[6]	ISO 14001	ISO 45001	ISO 50001
ARGENTINA (Chivilcoy)	✓	✓	✓	2030	2030
AUSTRALIA (Melbourne)	✓	FSSC - 22000	✓	2030	2030
BRAZIL (São Paulo)	✓	✓	✓	2030	2030
BULGARIA (Kazanlak)	✓	✓	✓	2026	2026
CHILE (Santiago de Chile)	✓	BRCGS	✓	2030	2030
CHINA (Chengdu)	2024	2024	2025	2030	2030
COLOMBIA (Bogota)	✓	✓	✓	2030	2030
FRANCE (Chambray)	✓	FSSC - 22000	✓	2026	2026
GERMANY (Worms)	✓	FSSC - 22000	✓	2026	✓
INDIA (Ahmedabad)	✓	✓	✓	2030	2030
INDIA (Daman)	✓	✓	✓	2030	2030
INDIA (Dharwad)	✓	✓	✓	2030	2030
INDIA (Goa)	✓	✓	✓	2030	2030
ITALY (Magenta)	✓	✓	✓	✓	2024
ITALY (Spinetta M.go)	✓	FSSC - 22000	✓	✓	2024
ITALY (Termoli)	✓	FSSC - 22000	✓	✓	2024

6 Or other equivalent standard (e.g. FSSC – 22000 and BRCGS); the table explains the standard adopted where it differs from ISO 22000

COUNTRY (ESTABLISHMENT)	ISO 9001	ISO 22000[6]	ISO 14001	ISO 45001	ISO 50001
ITALY (Breganze)	✓	2024	2024	✓[7]	2024
KENYA (Nairobi)	✓	✓	✓	2030	2030
MEXICO (S.J.Iturbide)	✓	✓	✓	2030	2030
NEW ZEALAND (Auckland)	✓	✓	✓	2030	2030
POLAND (Wloclawek)	✓	✓	✓	✓	2026
SOUTH AFRICA (Cape Town)	✓	FSSC - 22000	✓	2030	2030
SPAIN (Jerez)	✓	FSSC - 22000	✓	2026	2026
SPAIN (Oledrola)	✓	FSSC - 22000	✓	2026	2026
UKRAINE (Sumy)	✓	✓	✓	2026	2026
UKRAINE (Ternopil)[8]	-	✓	-	-	-
UK (Bridge of Allan)	✓	FSSC - 22000	✓	✓	2026
UK (Kirkintilloch)	✓	FSSC - 22000	✓	2026	2026
USA (Fairfield)	✓	✓	✓	2030	2030

3.3.1.FOOD QUALITY AND SAFETY

(GRI: 416-2; 2016)

The Guala Closures Group produces closures for bottles in direct contact with food; therefore, it must on the one hand guarantee the health and safety of the end consumer and on the other hand customers satisfaction (both on product and service).

To protect the health and safety of the consumer, each establishment is required to implement and certify a management system compliant with ISO 22000 (or other equivalent standard) that guarantees:

- compliance with applicable laws and regulations for packaging intended to come into contact with food;
- the implementation of good manufacturing practices and the assessment of any risks, to be kept under control through HACCP plans;
- full traceability and identification of products throughout the entire production cycle and supply to the customer.

At the end of 2023, 93% of production plants are ISO 22000 certified or other equivalent standard (27 plants out of a total of 29 as reported in Table 8).

To guarantee the quality of the finished product, the group has long since achieved a corporate certification that provides for the extension of ISO 9001 certification to all plants in order to ensure compliance with the requirements expected by the customer, such as: not to pose a danger to human health, not to involve an unacceptable change

7 extended in January 2024

8 Due to the ongoing war, it is not possible to have a forecast of the extension of corporate certifications to the Ternopil plant, as this involves on-site audits. In 2024, implementations and subsequent certifications at the local level will be evaluated

in the composition of food products and a deterioration of their characteristics.

All sites are monitored by the group's quality assurance, which, through the sharing of a monthly newsletter, is responsible for analysing and disseminating regulatory updates and important information regarding food safety.

By the end of 2023, all production facilities are ISO 9001 certified (Table 8), with the exception of:

- Chengdu in China, which is expected to implement this and be certified in 2024;
- Ternopil in Ukraine, due to the inability of the verification body to carry out the audits for the extension of corporate certification to the site in question due to the ongoing war. During 2024, the implementation and subsequent certification at local level will be evaluated.

Thanks to this type of strategy, also in 2023 there were no cases of non-compliance with regulations and/or self-regulatory codes regarding the impacts on health and safety of products, cases of non-compliance with regulations that result in a fine or sanction; cases of non-compliance with regulations that result in a warning and cases of non-compliance with self-regulatory codes.

In addition, in order to monitor the level of quality of the service provided to its customers, the group analyses all the complaints received, classifying them by customer and type in order to intervene with targeted solutions; in 2023, the number of claims and remarks received per million closures produced stood at 0.08, a slight increase compared to the 2022 figure (0.06).

3.3.2.ENVIRONMENT AND ENERGY

For some time now, the group has obtained a corporate certification relating to the environmental management system according to ISO 14001, which provides for the extension to all the group's plants.

At the end of 2023, almost 90% of production plants are ISO 14001 certified (26 out of 29 plants); two of the three excluded plants (the Chinese plant in Chengdu and the Italian plant in Breganze) are recently acquired or built for which a plan to extend the certification is already envisaged, while as regards the Ukrainian plant in Ternopil it is not possible to make any forecasts to date, as in the case of ISO 9001 certification (Table 8).

In the Sustainable Together 2030 programme, there is a target related to the implementation and certification of energy management systems according to ISO 50001 in all plants to improve their energy efficiency and reduce consumption.

At the end of 2023, the German plant in Worms has a certified energy management system in place. The programme envisages the extension to all Italian plants during 2024, to all European plants by 2026 and to the rest of the world by 2030.

3.3.3.HEALTH & SAFETY

In the Sustainable Together 2030 programme, there is a target related to the implementation and certification of health and safety management systems according to ISO 45001 in all plants.

At the end of 2023, five plants have a health and safety management system in place; in addition to the production plants in Wloclawek (Poland) and Bridge of Allan (Scotland), in 2023 three Italian plants (Termoli, Magenta and Spinetta Marengo) obtained certification and at the beginning of 2024 also the Italian plant in Breganze (Table 8). As for the other plants, it is planned to extend to all European plants by 2026 and to the rest of the world by 2030.

4. ENVIRONMENT

In the company's Sustainable Together 2030 strategy, Guala Closures confirms its commitment to operate with care for the natural environment and in the awareness of its impact on it.

The environmental policy, applied in all plants, is guided by three principles:

- continuous improvement, aimed at both the group's products and processes, driven by research and development activities and the integration of quality requirements;
- the involvement of the supply chain, to implement interventions that go beyond the group's boundary;
- the measurement of all activities by means of environmental performance indicators; since 2016[9] , a programme has been in place to monitor consumption and assess the emissions generated by all the group's plants.

Based on these principles, environmental policy focuses on four themes, which are the areas of work of the environment pillar of the Sustainable Together 2030 Programme: **greenhouse gas emissions**, the management of e**nergy consumption** of **water resources** and the production of **waste.** In Table 9, the objectives, baseline and results achieved in 2023 with respect to the specific targets are presented.

Table 9: objectives of the Sustainable Together 2030 strategy on Environment and 2023 results

AREA	OBJECTIVE	UNITS OF MEASURE MENT	BASELINE		TARGET PROGRAMME		ANNUAL TARGET	PROGRESS 2023
			Year	Value	Year	Value	2023	Result
Carbon footprint reduction	-44% CO2 emissions in Scope 1 and Scope 2	tCO2e	2020	156,191	2030	87,446	135,574	Target achieved 82,824
	-25% in intensity of indirect CO2 emissions in Scope 3	tCO2e/mln closures	2020	27.2	2030	20.4	25.16	Annual target achieved 24.87
Preserving water resources	-15% water withdrawal	m3/mln closures	2022	13.43	2030	11.41	13.18	Annual target achieved 12.62
	- 25% water withdrawal in areas of high water stress	m3/mln closures	2022	13.65	2026	10.24	13.22	Annual target achieved 8.93
Zero waste	Zero waste to landfill	%	2022	4.3	2030	0	3.7%	Annual target achieved 3.4%
	Less than 5% hazardous waste	%	2022	7.5	2030	<5	7.2%	Annual target achieved 6.9%

[9] Starting from 2011 involving only the Italian plants.

AREA	OBJECTIVE	UNITS OF MEASURE MENT	BASELINE		TARGET PROGRAMME		ANNUAL TARGET	PROGRESS 2023
			Year	Value	Year	Value	2023	Result
Energy management system	100% of factories certified ISO 50001	% of certified production plants	2022	0/4	2024	100 % (Italy)	N.O.	0/4
				1/14	2026	100% (Europe)	N.O.	1/14
				1/28	2030	100% (Group)	N.O.	1/28

4.1. ENERGY CONSUMPTION

(GRI 302-1:2016; 302-3:2016)

#energyefficiency #energyfromrenewablesources

The energy resources most used in the group's production plants are electricity and natural gas. Electricity is the main energy source, used for the operation of the production lines and for the general plant consumption.

Natural gas firstly, followed by other fuels (diesel, LPG, propane and gasoline), are instead used for the operation of heating systems such as ovens for decoration processes and heating systems. In Indian factories, fuels are also used in power generators, which are periodically needed to make up for malfunctions in the local electricity grid.

Considering the high energy demand, the optimisation of consumption plays a crucial role in the energy management of the group, which continues to work to identify the processes that have the greatest impact, thus implementing targeted improvement interventions on them. Therefore, the goal of the Sustainable Together 2030 Programme for this area of work is the gradual achievement of the **ISO 50001 certification** in all the group's production sites by 2030, starting with the Italian plants in 2024 (Paragraph 3.3.2).

In 2023, the group's energy consumption was **decreased by 13.7%** compared to 2022 (Table 10). This reduction, although influenced by production volume decrease, as demonstrated by the slight increase (0.8%) in energy intensity, is mainly attributable to the improvements launched in 2023 which concerned the efficiency of the decoration and lithography plants and the operation of the new afterburners, which allowed a continuous decrease in the use of natural gas in the production process. The use of diesel by Indian plants has also further decreased.

In 2023, the share of electricity coming from **renewable sources** increased, reaching **51% of the total electricity consumed**, compared to around 42% in 2022. This was made possible thanks to the installation of the photovoltaic system at the San Jose Iturbide plant (Mexico), the signing of contracts for the supply of electricity from renewable sources and the purchase and cancellation of international certificates of origin (i-RECs) attesting to the supply from renewable sources. At the end of 2023, **16 plants** consume electricity from renewable sources[10].

[10] Of these: 14 plants use electricity entirely from renewable sources, while two plants (San Jose Iturbide and Breganze) only partially.

Table 10: energy consumed by the group for the various energy sources, for the three-year period 2021-2023

ENERGY CONSUMED[11]	UNITS OF MEASUREMENT	2021	2022	2023
Total Power Consumption	GJ	1,456,687	1,396,932	1,205,090
Fuel consumption[12]	GJ	658,118	590,105	496,701
Diesel	Litres	1,081,845	509,721	440,431
Natural gas	SM3	14,664,184	13,586,670	11,235,075
LPG	Kg	948,528	854,464	864,354
Propane	Kg	6,378	8,856	9,201
Petrol	Litres	527	317	1,235
Electrical energy	Kwh	221,824,923	223,899,999	196,775,532
Electricity from renewable sources	GJ	297,692	337,611	364,733
Electricity from renewable sources	%	37.3%	41.9%	51.5%
Total energy from renewable sources	%	20.4%	24.2%	30.3%
Energy intensity[13]	GJ/ton of closures	17.05	15.55	15.68

4.2. GREENHOUSE GAS EMISSIONS

(GRI 2-4:2021; 305-1:2016,305-2:2016, 305-3:2016, 305-4:2016)

#carbonfootprint #climatechange #sciencebasedtarget

Direct emissions (Scope 1) derive mainly from the operation of plants and machinery owned or under the complete management of the company, such as heating systems (fueled by natural gas) and machinery powered by diesel. Indirect emissions, on the other hand, are both those relating to the use of electricity from the grid (Scope 2) for the operation of all plants and sites, and those deriving from activities upstream and downstream of the value chain such as the production and transport of raw materials, the distribution of finished products and their disposal at the end of their life (Scope 3).

The validation of the targets by the *Science Based Target initiative* (SBTi), which took place in December 2022, represented an important milestone in the sustainability path undertaken by the group, which in 2021 had already reduced the intensity of its Scope 1 and 2 greenhouse gas emissions by 40% compared to 2016.

[11] All energy consumption is monitored directly by the plants on a monthly basis and periodically verified by the CSR office, which checks the correspondence with the consumption recorded in the bills.

[12] The GJ conversion factors of fuel sources, constant in the years starting from 2017, are: Diesel 0.03771 GJ/liter, LPG and Propane 0.05 GJ/kg, Natural Gas 0.03884 GJ/Sm3, Gasoline 0.03597 GJ/liter, whose source is the Boustead Model.

[13] The energy intensity is obtained by considering the total energy consumption in GJ divided by the total weight, in tonnes, of the total closures produced in the year.

The validated targets correspond to the objectives of the group's strategy and 2023 was, to all intents and purposes, the first year of operation guided by the publicly made commitment.

This year, the emission reduction programme has been strongly accelerated, achieving excellent results for both objectives:

- **-12% of CO2e Scope 1 and 2 emissions compared to 2022;**
- **-6% of CO2e Scope 3 emissions per million closures produced compared to 2022.**

SBTi is a body that was born from the collaboration of **international organisations** with the aim of directing the ambition and commitments of companies in the fight against climate change.

The goal is to accelerate action around the world to **halve emissions by 2030**, reach **net zero emissions by 2050,** and provide companies with a defined pathway, independently evaluating and approving their achievements.

Guala Closures has committed to reducing absolute Scope 1 and 2 **greenhouse gas** emissions by 44% **by 2030** compared to 2020, which was defined as the base year. Within the same period, the Group aims to **reduce Scope 3 greenhouse gas emissions** from purchased goods and services and fuel- and energy-related activities by **25% for every million closures produced**.

The significant reduction in emissions in absolute terms, despite being influenced by the decline in production, was driven by the continuous monitoring of emissions along the value chain, and made possible by actions to mitigate the group's impact:

- **directly** at the production sites, through process optimization, investments in new plant equipment (approximately 6.5% of the group's total investments in 2023), the gradual electrification process and the purchase of energy from renewable sources;
- **indirectly**, with actors along the supply chain (raw materials, transport, customers and suppliers).

The group's global direct emissions (Scope 1) decreased overall by 6.0% compared to 2022. Indirect Scope 2 emissions decreased by 16.7% compared to 2022. This result was achieved thanks to the supply of electricity from renewable sources in the group's plants.

Finally, indirect Scope 3 emissions decreased by 18.9% compared to 2022. This excellent result is primarily due to the purchase of raw materials (aluminium in particular) with a high recycled content. However, the result is also partially influenced by a reduction in the volumes of raw material purchased.

Table 11: group GHG emissions for the three-year period 2021-2023

GHG EMISSIONS[14]	UNITS OF MEASUREMENT	2021	2022	2023
Emissions - Scope 1	tCO2e	43,469	37,990	35,701
Emissions - Scope 1 - Biogenic GWP	tCO2e	N.A.	561	536
Emissions - Scope 2 (market-based)	tCO2e	69,876	56,564	47,123
Emissions – Scope 2 (location-based)	tCO2e	N.A.	112,109	98,293
Scope 3 emissions	tCO2e	503,715	509,890	413,523
deriving from the purchase of goods and services - category 1 (included in the SBT target)	tCO2e	457,513	463,665	376,735
deriving from fuel and energy-related activities - category 3 (included in the SBT target)	tCO2e	15,827	18,158	18,464
Scope 3 Emissions - Biogenic GWP	tCO2e	N.A.	646	476
Scope 1 and 2 emissions (MB)	tCO2e	113,345	94,554	82,824
Total Scope 1, 2 (MB) and 3 emissions	tCO2e	617,060	604,444	496,347

In 2023**, the group achieved both of the annual targets set** in the Sustainable Together 2030 programme relating to the reduction of its carbon footprint.

The combination of Scope 1 and Scope 2 emissions increased from 156,191 tCO2e in 2020, base year, to 82,824 tCO2e in 2023, thus reducing by 47%, meeting and exceeding the -44% reduction target set for 2030. The group's ambition, from now on, is therefore to maintain this result over time, accompanied by an increase in company productivity.

Table 12: group GHG emissions intensity for the three-year period 2021-2023

GHG EMISSION INTENSITY	UNITS OF MEASUREMENT	2021	2022	2023
Scope 1+2 Emission Intensity (MB)	tCO2e/t	1.33	1.05	1.08
Scope 3 emissions intensity – per tonne of finished product	tCO2e/t	5.90	5.65	5.38
Intensity of partial Scope 3 emissions (cat 1 and cat. 3) – per million closures produced[15]	tCO2e/mln closures	26.19	26.22	24.87
Overall Scope 1, 2 (MB) and 3 emissions intensity – per ton of finished product	tCO2e/t	7.23	6.70	6.46
Overall Scope 1, 2 (MB) and 3 emissions intensity – per million closures produced	tCO2e/mln closures	34,15	32,90	31,24

[14] The indicator used to calculate the group's emissions is the 100-year Global Warming Potential (GWP), obtained with the calculation method and the related characterization factors derived from the most recent IPCC report of 2021. All major greenhouse gases (CO2, CH4, N2O, HFC, PFC, etc.) are considered in the calculation method. The scope considered for the issuances corresponds to the overall reporting scope of the Financial Statements presented in Annex.

The Greenhouse Gas Protocol (GHGP) is the standard used as a methodological reference.

[15] This is the intensity indicator to which the target validated by the SBTs for Scope 3 refers.

The target for the intensity of indirect Scope 3 emissions (categories 1 and 3) per million closures produced increased from 27.2 tCO2e in 2020, base year, to 24.9 tCO2e in 2023, thus reducing by 8.6%.

In 2023, Guala Closures Group decided to **voluntarily participate** in the completion of **the CDP** (Carbon Disclosure Project) questionnaires, obtaining a B score on the **Climate Change questionnaire.**

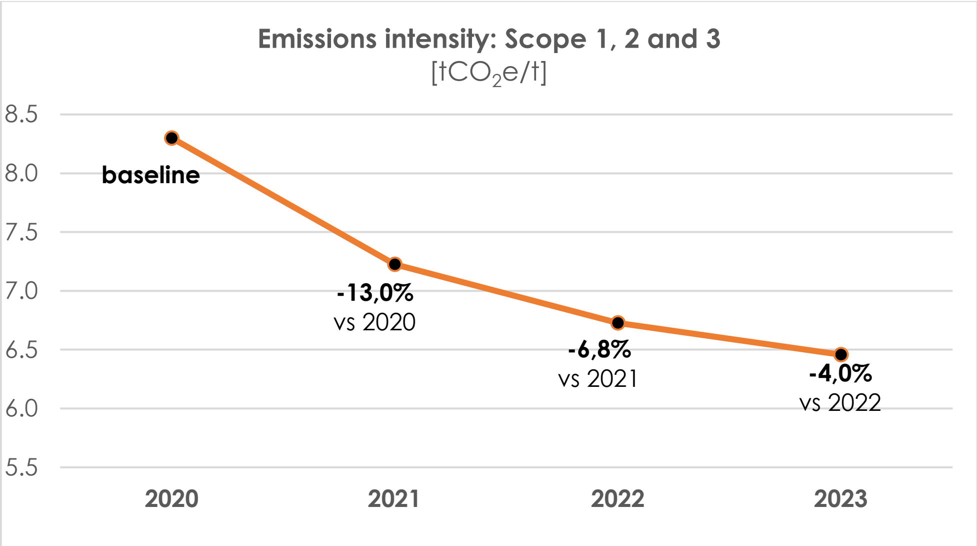


Figure 4 – group emissions intensity (Scope 1,2,3)

The intensity of the group's overall emissions (Scope 1, 2 and 3 per tonne of finished product) is steadily decreasing, despite variations in production over the years, achieving a **22% decrease** compared to 2020, base year (Figure 4).

To ensure the reliability of the declared results, also in 2023 Guala Closures has submitted its emissions (Scope 1, Scope 2, Scope 3) to independent third-party verification (Bureau Veritas) obtaining the certification[16].

[16] Concerning Scope 3 emissions, the emissions of the following categories are verified annually : 1 – Goods and services purchased; 3 – Fuel and energy activities not included in Scope 1 and 2; part of Category 4 – Upstream Transportation and Distribution; and 5 – Waste generated.

4.2.1. OFFSETTING GREENHOUSE GAS EMISSIONS

#carboncredits

The emissions offsetting program, born in 2011, initially consisted of financing reforestation projects, through international NGOs, and accounting for the benefit of carbon dioxide absorption generated by these new trees. Since 2014, the financing has been supplemented by the purchase of carbon credits[17]. Since 2018, while continuing to subsidise reforestation projects, only the tonnes of CO2 corresponding to the carbon credits purchased annually have been considered as offset.

Starting in 2021, the group's strategy focused on the gradual purchase of carbon credits to gradually offset all direct (Scope 1) and indirect emissions related to electricity consumption (Scope 2). In 2021, the first year of the launch of the new offsetting strategy, credits were purchased to cover the emissions of the second half of the year. In 2022 and 2023, the group purchased enough carbon credits to offset all Scope 1 and Scope 2 emissions. Emission offsetting certificates finance sustainable development projects around the world, including the construction of wind farms.

Table 13: Scope 1 and 2 emissions and carbon credits purchased for offsetting, for the three-year period 2021-2023

SCOPE 1 AND 2 EMISSIONS AND CARBON CREDITS PURCHASED	UNITS OF MEASUREMENT	2021	2022	2023
Scope 1 and 2 emissions	tonne CO2e	113,345	94,554	82,824
Carbon credits purchased for offsetting	n° credits	56,743	94,554	82,824

4.2.2. OTHER ISSUES

(GRI 305-7:2016)

#airquality

In some of the group's plants, air emissions directly generated by production plants are also monitored. These emissions mainly concern substances such as nitrogen oxides, carbon monoxide, volatile organic compounds and, to a lesser extent, sulphur oxides and dust, the latter being generated specifically by the moulding process. Measurements are carried out only in establishments located in countries where current legislation imposes mandatory monitoring; therefore, this aspect is considered material for the group. There are no direct emissions of other pollutants not included in Table 14.

[17] Carbon credits are securities equivalent to one tonne of CO2 per title, not emitted or absorbed thanks to an environmental protection project carried out with the aim of reducing or reabsorbing global emissions of CO2 and other greenhouse gases.

Table 14: emissions of other substances for the three-year period 2021-2023

OTHER HARMFUL EMISSIONS[18]	UNITS OF MEASUREMENT	2021	2022	2023
Nitrogen Oxides (NOx)	Tonne	32.7	44.5	29.2
Sulphur Oxides (SOx)	Tonne	0.1	0.7	0.2
Carbon monoxide (CO)	Tonne	90.6	98.9	84.2
Volatile Organic Compounds (VOCs)	Tonne	691.8	505.4	380
Powders	Tonne	N.A.	N.A.	2.6

With regard to refrigerant gases that are dispersed into the environment, the resulting CO2e emissions are already reported within Scope 1. On the other hand, the specific quantities dispersed (assessed by taking into account the top-ups that took place during the year) are presented in Annex.

4.3. WASTE

(GRI 306-1:2020, 306-2:2020; 306-3:2020)

#wastemanagement #circulareconomy

The waste generated by the group's production activities is mainly of two types: waste of semi-finished products and raw materials, and waste deriving from plant maintenance.

Moulding, drawing and decoration processes generate waste of semi-finished products and raw materials, mainly plastic materials and aluminium; packaging and unpacking operations, on the other hand, generate scraps of paper, cardboard and plastic films.

To a lesser extent, wood and cork waste is produced from the cutting and turning processes in the factories that produce *luxury closures*. This type also includes waste, mainly hazardous, deriving from decoration operations such as solvents, inks, enamels and paints.

On some production lines and in general for plant maintenance activities, waste oily emulsions and used mineral oils are generated, mostly sent for purification[19], as well as water solutions and detergents deriving from machine washing.

Finally, there is less waste from office activities (toner, paper and cardboard, etc.) and from the canteen (plastic, organic, etc.).

All the waste produced is collected separately by type and disposed of in compliance with the laws at each plant.

---

[18] These emissions are monitored at the plants of: Chivilcoy, Jerez, Kirkintilloch, Magenta, Olerdola, Santiago de Chile, Spinetta Marengo, Sumy, Worms.

[19] Waste oils and emulsions, being sent for purification, do not constitute a discharge into the receiving water bodies.

Separate waste collection is also implemented in office areas, break areas and canteen refectories. The staff is periodically trained and informed about the waste sorting criteria, with a view to reducing and recycling the waste produced.

To promote circularity paths, for years, Guala Closures has been collaborating with some of its strategic aluminum suppliers, providing them with processing waste so that it can be re-introduced into their production cycles, while contributing to the reduction of waste to be disposed of for the group and the subsequent procurement of raw materials with recycled content (*pre-consumer*).

There are two goals set out in the Sustainable Together 2030 strategy on waste: zero waste to landfills and the reduction of hazardous waste to less than 5% of the total, both set for 2030. In 2023, both reduction targets for the current year were met and exceeded.

In fact, in 2023 there is a general reduction in waste compared to previous years. Particularly significant is the decrease in the amount of waste sent to landfills, which went from 4.3% in 2022 to **3.4% in 2023**.

This reduction was mainly possible thanks to the presence (starting from the second half of 2022) of a purification plant at the Italian plant in Magenta. This plant exclusively carries out the processes of degreasing, painting and lithography of aluminium foils, processes from which most of the group's hazardous waste is generated and which, without a purifier, would be destined for landfill.

Table 15: waste generated by the group's production and management activities, for the three-year period 2021-2023

WASTE REDUCTION AND DISPOSAL	UNITS OF MEASUREMENT	2021	2022	2023
Total waste produced	Tonne	23,083	22,217	19,363
Total non-hazardous waste	Tonne	20,843	20,546	18,017
to be recycled	Tonne	19,319	19,306	17,046
for incineration	Tonne	446	481	401
to landfills	Tonne	1,078	759	570
Total hazardous waste	Tonne	2,240	1,671	1,345
to be recycled	Tonne	1,013	1,321	1,102
for incineration	Tonne	273	159	151
to landfills	Tonne	954	191	91
Percentage of hazardous waste	%	9.70%	7.52%	6.95%
Waste by finished product	kg/tonne of closures	270	247	252
Total waste to landfill	Tonne	2,032	950	661
Percentage of waste to landfill	%	8.80%	4.27%	3.42%

4.4. WATER RESOURCES

(GRI 303-1:2018; 303-2:2018; 303-3:2018)

#waterresourcemanagement #waterscarcity

The group's consumption of water resources is mainly related to cooling systems and the degreasing process. In particular the water is used:

- for **cooling** plastic moulding presses, typically with a closed loop;
- in **evaporative** towers for the heat exchangers of the cooling circuits for injection moulding;
- at the end of the **degreasing process** of the aluminum coils.

There is also water consumption related to toilets.

The objectives of the Sustainable Together 2030 programme for this area of work are: the **reduction of overall water intensity** by 15% and that of plants in water-stressed areas by 25%.

Table 16: the group's water consumption for the three-year period 2021-2023

WATER CONSUMPTION	UNITS OF MEASUREMENT	2021	2022	2023
Total water withdrawn	m3	191,681	232,634	200,451
Water taken from the aqueduct	m3	62,770	83,727	80,252
Water drawn from a well	m3	128,911	148,907	120,199
Water withdrawn per finished product – tonne	m3/tonne	2.28	2.72	2.61
Water withdrawn for finished product – million closures	m3/mln of closures	11.35	13.43	12.62
Water withdrawn for finished product in water-stressed areas [20] – million closures	m3/mln of closures	11.93[21]	13.65[22]	8.93

[20] In 2023, the number of plants located in areas classified as water-stressed changed compared to 2022.

[21] Considering consumption in 2021 and the classification of plants as in water-stressed areas in 2023, the result of this indicator would be 6.41 m3/mln of closures.

[22] Considering consumption in 2022 and the classification of plants as in water-stressed areas in 2023, the result of this indicator would be 8.00 m3/mln of closures.

Table 17: the group's water consumption for 2023, broken down by the quantities of dissolved solids contained

WATER QUALITY WITHDRAWN[23] IN 2023	UNITS OF MEASUREMENT	ALL AREAS	ONLY WATER-STRESSED AREAS
Fresh water (≤ 1,000 mg/L of dissolved solid particles)	m3	80,252	21,640
Other water (> 1,000 mg/L of dissolved solid particles).	m3	120,199	23,779

In most of the plants, the water used has no or below the relevant pollutant content, so it is discharged directly into the sewers, with the exception of the Scottish plant in Bridge of Allan (which discharges part of the wastewater into surface water) and the Italian plant in Magenta (which discharges into groundwater). The **Magenta plant**, where the process of degreasing aluminum coils with the use of pollutants is located, is equipped with a **wastewater treatment plant**, where the quality and quantity of the discharges are constantly monitored, applying the necessary treatments to remove pollutants, ensuring compliance with national regulatory limits.

The highest water consumption is recorded at the Italian plants of Spinetta (about 32%) and Magenta (about 9%), in the Indian plant of Goa (about 17%) and in the Mexican plant of San Jose Iturbide (about 8%).

In 2023, the target set for water consumption was achieved and exceeded with a **6% reduction in water intensity per million closures** compared to 2022.

There are **11 of the group's plants located in regions that in 2023 are identified as having high water stress**[24], namely the plants located in South Africa, Chile, Mexico, Spain, China, Australia, two Indian plants (located in Ahmedabad and Daman) and the Italian plant in Termoli. In these areas, there was a decrease in water consumption per million closures produced of 34.6% compared to 2022. However, it should be noted that the perimeter of the plants in water-stressed areas has changed compared to the 2022 perimeter. This change is due to the variability over time of the parameters that contribute to the definition of water stress. These are both climatic and geographical and anthropogenic factors, i.e. the coexistence of domestic, industrial, irrigation and livestock water demand. On the other hand, the comparison of the same indicator recalculated for 2022 considering the scope of 2023 would result in an increase in intensity of about 11.6%.

[23] The amount of dissolved solids contained in the withdrawn water is not directly monitored by the plants. Therefore, a hypothesis was made on the basis of the source of withdrawal: whether from aqueduct classified as fresh water, if from well classified as other water.

[24] Water stress occurs in those regions where the demand for water exceeds the amount available during a certain period. The identification of which facilities are classified as "water stressed areas" is carried out annually (at the beginning of the year following the reporting year) using the World Resource Institute's (WRI) Water Risk Atlas Tool, an authoritative source suggested by the GRI Standards. Therefore, those establishments whose value is at or above the "High (40-80%)" level, as suggested by the GRI Standards, are considered to be in water stress areas.

4.5. RAW MATERIALS

(GRI 301-1:2016; 301-2:2016)

#resourcemanagement #recycledmaterial

For the production of closures, Guala Closures uses large quantities of raw materials, mainly **aluminum** and various types of **plastics**, but also cork, glass spheres and semi-finished composite products (such as liner).

Most of the **aluminium foil is prepared by the Magenta plant**, starting from the coils, through a process of washing, degreasing and cutting into sheets of various sizes. Before being sorted between the various plants, the sheets can also be decorated through a lithography process. The plants in Poland, Ukraine, South Africa, Argentina and Australia, in order to meet their aluminium needs, supplement the sheets received from Magenta by purchasing directly from local suppliers. In 2023, the group used more than **34,000 tonnes of aluminium**.

Among the many characteristics of aluminium there is also that it can be recycled repeatedly without losing its properties. In view of this and the significant environmental impact of aluminium, the group aims to use aluminium with an **ever-increasing recycled content** in its closures. To this end, Guala Closures engages its most relevant suppliers both by requesting certificates attesting to the real recycled content of each alloy, and by making sure to deliver all its aluminum waste to recycling circuits and directing it, where possible, directly to its suppliers as pre-consumer recycling material to be re-introduced into a closed production cycle. In 2023, the percentage of **certified recycled aluminium** out of the total aluminium used reached **41%,** exceeding the 2022 result by six percentage points.

Plastic materials, on the other hand, are used both for some components of aluminum closures and to produce all-plastic closures. In fact, some factories are almost exclusively dedicated to the production of this type of product. In 2023, the group consumed nearly **43,000 tonnes of plastic materials**, including polypropylene, polyethylene, polyethylene terephthalate, polystyrene, etc.

The use of **recycled plastic** is still limited (**2%** of the total plastic used) due to the limitation deriving from the regulations on the use of recycled plastic materials on products in contact with food. The group's commitment to these materials is therefore also focused on a gradual introduction of plastic materials from biomass instead of fossil material.

Table 18: consumption of raw materials, for the three-year period 2021-2023

CONSUMPTION OF RAW MATERIALS	UNITS OF MEASUREMENT	2021	2022	2023
Total Quantity of Raw Materials	Tonne	127,704	128,387	104,731
of which aluminium	Tonne	44,152	44,837	34,133
of which plastic	Tonne	47,567	50,719	42,753
of which packaging	Tonne	16,216	16,186	13,445
Of which other material	Tonne	19,769	16,645	14,399
% recycled raw material (all materials[25])	%	22%	22%	22%
% recycled aluminium	%	38%	35%	41%

Considering the relevance that the use of raw materials has on Scope 3 emissions, the group has committed to increasing the share of aluminium procurement with a high recycled content and controlled origin. In 2023, thanks to this purchasing strategy, the encouraging result **of a reduction of around 6% in the intensity of Scope 3 emissions was achieved**.

4.6. REFORESTATION PROGRAMS

Since 2011, the group has demonstrated its commitment to environmental sustainability issues by launching a programme to subsidise reforestation projects concentrated in developing countries where the group operates (India, Colombia, Mexico), actively involving both local communities, who derive social and economic benefits from the projects, and employees of local plants.

In 2011, three projects were funded in Costa Rica, Peru and India. In 2015, a second cycle of the programme took place with a two-year project in Colombia. In 2016, a reforestation project was launched in India (Gujarat), which is still active, and in 2018 a reforestation project in Mexico, which ended in 2020.

In the twelve years of the programme, more than 468,000 trees have been planted, involving more than 6,000 people in the various projects (Peru, India, Colombia and Mexico). These projects have been developed with influential partners and vetted by certified independent international agencies.

In 2023, the Guala Closures Group contributed to reforestation by planting around 38,816 trees in India. The reforestation programme involved more than 1,700 families from 45 villages in the districts of Dang, Tapi and Kachchh in the Gujarat region. The group has supported the creation of a Producers' Collective in Gujarat, with the objectives of creating economic value from the fruits of the trees planted and organizing a distribution system with a focus on women's empowerment.

25 For cardboard boxes used as packaging material, an average percentage of recycled content of 88% was considered, resulting from the most recent data made available by the European association FEFCO.

5. PEOPLE & SOCIETY

For Guala Closures, the growth and evolution of its business is interconnected with the development and well-being of the people who participate in the company's productivity on a daily basis.

In all the countries in which the group operates, it strives to guarantee its workers full respect for social and ethical principles, avoiding all forms of discrimination and guaranteeing full respect for Fundamental Human Rights[26]; but also to stimulate their professional and personal growth, start training courses and enhance individual diversity.

The assessment of ethical and social performance within the group's plants is carried out through a questionnaire completed annually on the SEDEX platform, the contents of which can also be audited (Paragraph 6.3).

The focus on people also extends beyond its operational boundaries, along the supply chain, which is monitored through the analysis and evaluation processes offered by internationally recognised platforms such as Synesgy and EcoVadis and by the completion of special qualification questionnaires for new suppliers (Paragraph 6.1).

The social strategy of the Sustainable Together 2030 programme aims to promote corporate values, foster a sense of belonging and participation, stimulate professional growth, and protect workers while respecting their rights by setting targets on occupational safety, training and social inclusion (Table 19).

Table 19: objectives of the Sustainable Together 2030 strategy on Social and 2023 results

AREA	DESCRIPTION	OBJECTIVE	UNITS OF MEASUREMENT	BASELINE		TARGET		2023 RESULT
				Year	Value	Year	Value	Value
Health and safety first	Spread the "zero incident culture" by implementing tools to reduce or avoid potential risks	Year by year reduction in accident frequency index	(Nr of accident *1000000)/worked hours	2022	6.54	2030	Year by year reduction	6.47
		100% of factories ISO 45001 certified	%	2022	0/4	2023	100 % (Italy)	4/4
					2/14	2026	100% (Europe)	6/14
					2/28	2030	100% (Group)	6/14
HSE training	Increase employee awareness of environmental, health, and safety issues.	+ 30% HSE training	Hours/person	2022	6.31	2030	8.2	Target Completed 9.8 (GCG only); 9.3 (GCG + Agencies)[27]

[26] Fundamental Human Rights as formulated in the United Nations Declaration.

[27] This indicator is calculated by considering the number of hours of training related solely to health and safety issues.

AREA	DESCRIPTION	OBJECTIVE	UNITS OF MEASUREMENT	BASELINE		TARGET		2023 RESULT
				Year	Value	Year	Value	Value
Diversity & inclusion	Ensure the integration and professional development of employees in a fair work environment, where everyone is valued in their diversity	Promoting gender equality	NA	NA	NA	2023	Gender wage gap analysis to define the baseline	In 2023, the data collection tool[28] has been adapted to accommodate this information. The analysis of the average gender pay gap showed a discrepancy around 20%.
			Parenthood Support Policies	2022	NA	2023	Introduction of at least one policy per BU	A policy has been introduced in all establishments except the French one where there are already numerous national laws facilitating parenthood.
			Training for women's professional development	2022	NA	2024	% of women participating in training above the % of women in the group	N.O.
		Strengthening intergenerational interaction	Number of projects and measure of effectiveness	2022	NA	2025	At least one project per BU	N.O.
		Inclusion of people with disabilities	Number of traineeships for people with disability	2022	NA	2025	At least one internship per BU	N.O.

[28] The group uses an online platform called the Continuous Improvement Sustainability Tool, or CIS Tool for short.

5.1. GUALA CLOSURES EMPLOYEES

(GRI 401-1:2016; 403-6:2021; 405-1:2016; 2-7:2021; 2-8:2021; 2-30:2021)

#employeesturnover #employeesdiversity #collectiveagreement #professionaldevelopment

At the end of December 2023, the group had 4,828 employees and 819 temporary collaborators from external agencies, considering all the plants within the reporting perimeter (reference to the methodological note).

2023 saw a slight decrease in staff, about 4%, of the group employees and 24% for temporary workers. Blue-collar workers, in particular, and white-collar workers are the categories that saw the greatest decrease in the number of employees during the year, while the number of employees in managerial roles remained unchanged.

Temporary workers are an important resource for the group, especially to cover the periodic needs of the production plants to cope with production peaks and are therefore mainly blue-collar and, in some cases, white-collar workers.

Table 20: group employees, turnover and temporary workers, for the three-year period 2021-2023

GROUP EMPLOYEES, TURNOVER AND TEMPORARY WORKERS[29]	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Manager[30]	232	64	296	291	86	377	291	86	377
Employees	721	319	1.040	651	333	984	636	326	962
Workers	2,766	757	3,523	2,862	817	3,679	2,727	762	3,489
TOTAL EMPLOYEES	3,719	1,140	4,859	3,804	1,236	5,040	3,654	1,174	4,828
Employees hired	378	161	539	649	349	998	412	214	626
Inbound Turnover	0	0	0	0	0	0	11%	18%	13%
Employees resigned	420	195	615	630	290	920	574	276	850
Outgoing turnover	0	0	0	0	0	0	16%	24%	18%
Temporary workers[31]	-	-	841	820	263	1.083	681	138	819

In 2023, the percentage of women employed in the group remained constant (24.3%), similar to the percentage of

[29] The data shown in the table are the snapshot of the census of all the establishments at 31 December of the respective year.

[30] Where the manager category includes top-managers, senior managers, managers, and middle managers.

[31] The count of temporary workers is made considering the total of the Full Time Equivalent (FTE) at the end of the year.

women in positions of responsibility[32] (22.8%).

Voluntary turnover, calculated as the number of employees who voluntarily resigned out of the total number of employees who left, is about 47.3% in 2023[33].

The age pyramid varies significantly between plants (Table 34), however, the majority of the workforce is between the ages of 30 and 50 (Table 21).

Table 21: distribution of group employees by age group, for the three-year period 2021-2023

AGE OF EMPLOYEES	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years	633	221	854	623	233	856	520	212	732
Between 30 and 50 years old	2,101	638	2,739	2,181	718	2,899	2,117	679	2,796
>50 years	985	281	1,266	1,000	285	1,285	1,017	283	1,300

Instruments such as collective agreements and company agreements are widely used by the group entities to ensure good working conditions, as required by specific national laws on the subject. In recent years, the significant increase in the number of employees covered by collective agreements and company agreements was directly related to the increase in the number of employees. In 2023, these percentages have grown further (Table 22), despite the slight decrease in the company's workforce, an indication of the group's commitment to continue working to ensure stimulating working conditions in line with socio-economic changes.

Table 22: group employees covered by collective agreements and/or company agreements, for the three-year period 2021-2023

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS AND COMPANY AGREEMENTS	UNIT	2021	2022	2023
Employees covered by collective bargaining agreements	%	36.70%	67.90%	76.90%
Employees covered by company agreements	%	19.30%	21.80%	37.80%

In 2023, the number of employees who received an assessment of performance and career development returned to growth, in line with the increasing focus on employee growth in all group plants (Table 23). In addition to these aspects, Guala Closures has finalized an incentive system for the group's top management that provides for the

32 By "positions of responsibility" we mean all positions from managerial level upward: middle management, management, senior management and top-management.

33 The remaining share of employees leaving the group is related in most cases to retirements or early retirement plans, but also to the corporate reorganization that took place during the year due to production volumes decrease.

assignment of bonuses related to corporate performance also related to the achievement of defined ESG objectives.

Table 23: group employees who receive performance and career development evaluations, for the three-year period 2021-2023

EMPLOYEES WHO RECEIVE PERFORMANCE AND CAREER DEVELOPMENT EVALUATIONS[34]	UNIT	2021	2022	2023
Men	%	42.2%	37.4%	43.8%
Women	%	41.8%	37.5%	42.0%
Total	%	42.1%	37.5%	43.4%

In addition, each business unit, taking into account specific local realities, can develop additional welfare plans that include benefits such as forms of health insurance and life insurance, salary compensation for absences due to illness and extensions of parental leave.

Among the benefits, a legacy of the pandemic-related restriction measures, there is also the well-established smart-working mode for employees of the group's various plants and the flexibility of working hours, a particularly important tool to facilitate home-work balance.

In the tables in the annex there are further numbers, in line with the GRI requirements, relating to Guala Closures employees.

[34] Each item in the table was calculated by considering the number of persons in the indicated gender who received performance and development evaluations out of the total number of persons included in the indicated gender or in the total number of employees considering both genders.

5.2. EMPLOYEE TRAINING AND DEVELOPMENT

(GRI 404-1:2016; 403-5:2018)

#training #professionaldevelopment

In line with the objectives of the sustainability programme, the group promotes the development of technical and soft skills as well as environmental and health and safety issues through a specific training plan for each category of employee.

Overall, training hours in 2023 increased by 18% compared to 2022 (Table 24). The increase in training is transversal in all training areas, but particularly significant in the field of safety at work and relational issues (i.e. *soft skills*).

The percentage of training hours out of total hours worked is continuously increasing, recording an increase of 30% compared to 2022, thus proving to the importance that ongoing training has for the group (Table 24).

Table 24: training for group employees, for the three-year period 2021-2023

EMPLOYEE TRAINING	UNIT	2021	2022	2023
Total hours of training	Hours	151,062	199,263	236,024
health and safety issues	Hours	22,689	31,814	47,457
technical issues	Hours	114,294	151,890	165,649
soft skills	Hours	14,078	15,559	22,918
Training vs. hours worked	%	1.48%	1.95%	2.53%
Hours of training per capita per year	Hours/per person/per year	31.1	39.5	48.9
Monthly training hours per capita	Hours/per person/per month	2.6	3.3	4.1

In addition, in 2023, the group has already achieved the objective of the Sustainable Together 2030 strategy of increasing individual training hours on HSE issues by 30% (Table 19). During the year, ad hoc training sessions were held to present the new strategy for all the staff of all Guala Closures Group plants.

Table 25: Training for group employees, details by gender and role, for the three-year period 2021-2023

EMPLOYEE TRAINING - DETAILS	Unit	2021	2022	2023
Manager training	Hours/per person/ per month	1.6	1.5	2.1
Employee training	Hours/per person/ per month	2.7	2.5	3.6
Worker training	Hours/per person/ per month	2.6	3.7	4.4
Men's training	Hours/per person/ per month	2.1	3	3.7
Women's training	Hours/per person/ per month	4.1	4.4	5.3

The increase in monthly training, in 2023, is also recorded considering the breakdown by gender, with a prevalence of training for women, and by categories of workers, especially for blue-collar and white-collar workers (Table 25).

Training activities are also planned for temporary workers in all three areas. In 2023, a total of almost 45,000 hours were completed for this group of employees, i.e. 4.6 hours of training per person per month.

Table 26: training for temporary workers for 2023

TRAINING OF TEMPORARY EMPLOYEES	UNIT	2023
Total hours of training	Hours	44,984
of which on health and safety issues	Hours	4,997
of which on technical issues	Hours	38,287
of which on relational issues	Hours	1,700
Training vs. hours worked	%	2.30%
Hours of training per capita per year	Hours/per person/ per year	54.9
Monthly training hours per capita	Hours/per person/ per month	4.6

5.3. DIVERSITY & INCLUSION

(GRI 2-20:2021; 406-1:2016;)

#diversity #genderequality

The group operates in several countries around the world, interacting and relating to customers in over 100 countries.

Therefore, the need to incorporate diversity of thought, gender, and culture into business processes is essential to its very operation. The group's attention to this principle translates first and foremost into corporate policies (Paragraph 2.3), Specifically, the **Human Rights Policy and on Ethical and Social Aspects** in which the issues of diversity and inclusion and equal opportunities are also addressed. All country managers are called upon to abide by, disseminate and apply this policy within their organization[35]. A new policy was also drawn up during the year **on gender equality**, hand in hand with the relevant certification, which is currently valid in Italy.

Starting in 2018, the group has gradually launched a series of working groups and initiatives on the topic of diversity. In 2018, a survey made it possible to map and assess the status of diversity management in all plants, also identifying and disseminating a series of good practices (hiring strategies to increase diversity, encouragement to report cases of discrimination). In 2019, a workshop involved the sustainability and human resources departments of 15 plants to gather ideas and suggestions, identify priorities and lay the foundations for a group roadmap.

Following these first two important steps, the Diversity and Inclusion Charter was drawn up in 2019, signed by all the group's general managers, then translated and disseminated in 2020 in all plants.

Since 2021, new initiatives have begun to emerge in the various business units: engagement workshops, training and awareness-raising sessions, and entire days or weeks dedicated to the values of inclusion and gender equality. All these activities have led to the identification of two issues that are relevant to all production companies:

- **Equity**: in terms of economic treatment, equal opportunities without discrimination on the basis of gender or disability;
- **Age & mentoring**: in terms of a two-way exchange between generations.

Two work groups "master-groups" have been set up on these issues, coordinated by two members of the Sustainability and Human Resources core groups, respectively. Throughout 2021, 2022 and until the first quarter of 2023, the two groups met virtually on a monthly basis.

Over the years, the Age & mentoring master-group has addressed various issues such as encouraging **intergenerational dialogue**, plans for **the transfer of knowledge**, skills and versatility within different areas in order to ensure flexibility, talent management and staff turnover planning. The focus of the Equity master-group, on the other hand, was mainly focused on the definition of **fair recruitment procedures**, which encourage the growth of those categories that are less represented, as well as the identification of possible paths to **achieving gender equality**.

In the Sustainable Together 2030 strategy, the group has defined three objectives to commit to with regard to diversity and inclusion, of which only the first has targets set as early as 2023:

- **promote gender equality**, by analysing the current **gender pay-gap**, and working both through parenthood support policies and training activities for women's professional growth;
- **strengthen intergenerational interaction;**
- **include people with disabilities** among the group's employees.

Starting from the second quarter of 2023, the master-groups have left room for the launch of pilot projects, in some Business Units, to advance the objectives of the strategy, the first specifically. These projects include:

- **obtaining the certification for gender equality for Italian plants**[36] and all the preliminary activities to achieve this important result (training sessions, climate survey);

---

[35] Over the years, there have never been any minorities or vulnerable categories, so it was deemed necessary to define and monitor diversity indicators beyond those reported in the Paragraph 5.1.

[36] Certification obtained according to the UNI/Pdr 125/2022 standard.

- the introduction of new **parenting assistance policies** in all the group's plants, with the exception of France, where legislation already largely covers the issue, and Ukraine, where initiatives have temporarily slowed down due to the geopolitical situation;
- intervention on the platform used for the collection of social and environmental data to receive the information necessary to report and monitor the gender pay gap. At group level, the **average gap is around 20%.**[37]

Currently, there is not a remuneration policy in place neither a nomination and remuneration committee has been established, but these pilot projects are an important first step for the group, which will continue to work to gradually extend them to all its plants.

During 2023, no cases of discrimination or human rights violations were recorded, either during audit activities or through the whistleblowing channel, in any of the group's plants. In addition, no strikes have been called by workers over human rights violations.

5.4. SUPPORTING LOCAL COMMUNITIES

#contributionstocommunities #localcommunities

In the pursuit of growth and sustainable development, Guala Closures dedicates resources, commitment and support to the local communities in which it operates. The widespread presence of the group's plants has allowed the development of dedicated initiatives, specific to the different contexts in which it operates. The projects in place, taking into account the needs and requirements on the ground, pursue the development of the communities, employees and their families who live in the territories. Here are some country-specific examples.

Argentina

To celebrate World Environment Day, as part of the "Chivilcoy + Sustentable" project of which Guala Closures has been an active part for three years, sustainable furniture (recovering waste, plastic and cardboard) was delivered to public gardens and 30 schools in the city, including kindergartens, and educational and art centres.

Poland

Guala Closures Poland is engaged in various activities aimed at local communities, both through the organisation of events for employees and their families, and through financial or material donations to cultural and sports associations. The group supports and sponsors Polish Soccer Skills, a social project that aims to disseminate football and professional training for children and adolescents, through a multidisciplinary approach. Also in the field of sports, the group supports Basketball Club Włocławek, which competes in the top division of the Polish league.

India

Several initiatives are active here that see Guala Closures involved through donations, volunteer activities and awareness-raising. In Goa, the group funded and helped the renovation of St. John of the Cross School, supporting the improvement of infrastructure and the construction of some new classrooms for this local community school. Support also continues for the restoration of the pipe organ in the Basilica of Bom Jesus, of great historical

[37] For the first year in 2023, the figure was calculated by considering an overall global average of men's and women's salaries, without considering the differences in the economies of the countries in which the group's plants are located.

importance and part of the UNESCO World Heritage Site. The work is expected to be completed by the end of 2024.

On 5 June 2023, to celebrate World Environment Day, official celebrations were organised at the group's Indian plants, directly involving employees in tree planting activities near the plants.

The reforestation project involving Guala Closures India also continues with Vikalp, an Indian NGO that develops social and environmental programmes with tribal communities in the state of Gujarat. The project, which has been active since 2016, includes educational sessions on forest conservation for more than 15,000 students, as well as the planting of tens of thousands of trees every year. In 2023, nearly 40,000 units were planted.

United Kingdom

Guala Closures UK & UCP have been dedicated to providing its employees and their families with additional resources and support to cope with the global inflation crisis. The group collaborates with GroceryAid, an association aimed at providing assistance and financial support to employees in the food industry, organising GroceryAid Days in the two local plants, dedicated days with the presence of special stands and information material to provide employees with greater awareness of the services available from GroceryAid. Guala Closures has been awarded the "Bronze" award by the association for the promotional activities organised.

5.5. OCCUPATIONAL HEALTH AND SAFETY

(GRI: 403-1:2021; 403-2:2021; 403-3:2021; 403-4:2021; 403-5:2021; 403-6:2021; 403-7:2021; 403-9:2021; 403-10:2021)

#healthandsafety #incidents #workinghourslost

Given the importance of the issue, there is no doubt that occupational health and safety is a material issue for the Guala Closures Group. All choices related to this topic are part of the group's decision-making processes and strategies, expressed in the policy for the environment and for occupational health and safety.

The group's willingness to make a concrete commitment to these issues is also evident from the Sustainable Together 2030 programme, which places "health and safety" first with clear objectives:

- implementation and certification of ISO 45001 for all the group's plants;
- reduction of the accident frequency index to zero.

As anticipated in the Paragraph 3.3, to date, the Guala Closures Group has implemented and certified an occupational health and safety management system in six plants, with a plan to extend it to all European plants by 2026 and to the rest of the world by 2030.

For all plants that do not have a certified management system in place, starting from 2020 a plan of internal controls has been implemented and it is carried out periodically in order to verify compliance with local regulations, which until now have always given positive results.

5.5.1.IDENTIFICATION OF RISKS

The activities to prevent the risk of accidents start from the risk assessment, which is carried out for each country on the basis of local regulatory requirements (e.g. the drafting of the DVR for Italy). Once the risks have been identified, mitigation actions are developed based on the severity of the risks in question, specifically the group assigns them a red, yellow and green code for the definition of intervention priorities.

On the basis of the activities carried out by the group, the main risks to which it is subject are:

- chemical risk, related to painting processes (e.g. lithography, side printing) mainly on aluminium and wood;

- mechanical risk, linked to all production processes that involve the use of machinery;
- the risk of fire;
- the risk related to noise, mainly relevant in plants that process aluminum.

The mitigation of the identified risks involves a series of investments that, in 2023, accounted for 3% of the Guala Closures Group's capex for:

- structural interventions for noise reduction;
- plant engineering interventions to mitigate chemical risk through the installation of afterburners;
- compartmentalization, installation of sprinklers and provision of fire extinguishers in the event of fire risk, as well as the training of emergency teams;
- health surveillance;
- education, information and training;
- use of personal protective equipment.

All workers have the opportunity to report the presence of hazards to the area supervisor and to leave their workstation in case of dangerous situations.

Following the identification of these hazards, "near misses" are identified and reported monthly to safety managers who analyse the cases and evaluate the necessary actions.

In the event of accidents in the workplace, they are reported to the group and together the analysis of the causes and the corrective actions to be taken are carried out so that they do not happen again. For all events that generate a prognosis of more than 40 days, a quarterly newsletter is sent to the general managers with a description of the event, the consequences and the improvement actions taken.

Training and health surveillance for all workers are carried out at different frequencies depending on the regulations in force in the countries where the production sites are located and, for each of them, there is a competent doctor.

5.5.2.HEALTH & SAFETY COMMITTEES

Workers are involved in the management of health and safety issues through participation in specific committees, appointed for each group company.

In the event that local regulations so require, the committees appointed are formal, provide for the participation of the general manager, the plant manager, the health and safety representative, the workers' representative and the competent doctor and they meet according to the needs of the individual plants.

In the event that they are not provided for by local regulations, the committees are still informally appointed in order to have greater supervision and information on health and safety issues.

5.5.3.TRAINING AND AWARENESS-RAISING ACTIVITIES

The training initiatives for employees on health and safety issues include both generic activities dedicated to periodic updating on the subject and specific preparation events:

- for the different risks identified (e.g. chemical, mechanical, fire and noise);
- for emergency teams;
- for first aid teams;
- dedicated to the use of machines and equipment (e.g. overhead cranes, forklifts, elevating platforms).

Table 27 reports the total number of hours of training provided to all group employees in 2023 with details of those dedicated to health and safety issues.

Table 27: hours of training on health and safety issues

EMPLOYEE TRAINING	2021	2022	2023
Total hours of training	151,062	199,263	236,024
Of which, on health and safety issues	22,689	31,814	47,457

In addition, a quarterly newsletter is sent to all corporate directors and general managers, which provides an overview of activities on health and safety issues with a specific focus on certain aspects:

- trends in the number of accidents and root cause analysis;
- analysis of "near misses";
- trend in frequency and severity indices;
- investments made to reduce accidents arising from mechanical risks;
- various updates on the status of certifications;
- corporate welfare programmes.

With regard to the latter issue, each Business Unit, taking into account local regulations and realities, can implement the group's policy in additional welfare plans that include preventive visits, benefits such as forms of health insurance and life insurance.

5.5.4.TREND OF HEALTH AND SAFETY INDICATORS

Table 28 reports the trend of accident indices in the three-year period 2021 – 2023.

All information includes both employees and temporary workers as health and safety management is treated equally.

In 2023, you can see that:

- the overall number of accidents decreased compared to 2022 (from 89 to 73); 12 of which occurred during commuting to and from work and the rest were due to accidental interactions with machinery that mostly generated problems with the upper limbs of the body. the frequency index[38] thus decreased compared to 2022, from 6.54 to 6.47;
- there were 2512 days lost due to accidents, 717 of which related to a tail end of 2022 accidents and 228 related to accidents that occurred during commuting; the severity index[39] thus decreased from 0.23 to 0.22;
- no cases of occupational disease have been recorded.

In addition, about 252 "near misses" were reported and analysed, so improvement actions were promptly taken to prevent any injuries.

---

[38] Calculated by dividing the number of accident at work by the number of hours worked and multiplying by 1,000,000

[39] Calculated by dividing the days lost due to injury by the number of hours worked then multiplying by 1,000

Table 28: accident indices (three-year period 2021-2023)

DATUM	2021	2022	2023
Accidents at work	70	89	73
Of which severe (more than 180 days)	0	0	1
Of which fatalities	0	0	0
Days lost due to injury	2,480	3,069	2,512
Frequency index	6.64	6.54	6.47
Number of hours worked	10,537,986	13,610,959	11,277,000
Severity index	0.24	0.23	0.22
N° of cases of occupational diseases	0	0	0

Finally, thanks to the attention and resources dedicated to the issue, no strikes were called during 2023 on health and safety issues.

6. THE BUSINESS

The group's goal is to maintain market leadership, increase profitability and grow the business through targeted acquisitions. The growth strategy includes:

- the increase in sales revenues through the entry into emerging markets, the acquisition of new customers and growth in markets where the group is under-represented;
- the development of innovative solutions for the protection of *brands* in markets with a high risk of counterfeiting;
- the development of the *Luxury segment*, strengthened with the acquisition of Labrenta;
- the optimization of production processes and the improvement of the profitability of production plants through the sharing of *best practices* within the group;
- the continuous renewal of the offer through the development of innovative products that are increasingly closer to market demands.

Given that the group acts in its business in accordance with the values of ethics and transparency, two objectives relating to responsible governance have been integrated into the sustainability strategy (Paragraph 2.1):

- improve sustainability ratings and disseminate the principles of the code of ethics at all levels of the group;
- integrate sustainability into the supply chain, promoting ethical principles at all levels, among suppliers and partners, through the signing of the code of ethics and the commitment to align with every issue that the code addresses.

6.1. ETHICS AND TRANSPARENCY

(GRI: 205-3:2016; 206-1:2016)

#ethic #tranpsarency #anticompetitivebehaviour

In the group's vision, the conduct of the business must take place in an ethical and transparent manner so that it can benefit all stakeholders; therefore, this is an integral part of the Sustainable Together 2030 strategy and it is monitored through specific targets and indicators (Table 29).

Table 29: progress of the objectives related to the material topic "Ethics and transparency"

OBJECTIVE	BASELINE		TARGET		TARGET PROGRESS (YEAR 2023)
	Year	Value	Year	Value	
Obtaining and maintaining the EcoVadis gold rating	2022	NA	2023-2030	Achieve gold rating and maintain status	In 2023, the EcoVadis questionnaire was completed for the first time at group level and obtained the "Silver" rating.
100% of employees trained on the Code of ethics	2022	48%	2023	100% (Italy)	94.2% (expected to reach 100% in early 2024)
		0	2024	100% (Group)	9.2%

The Code of ethics (Paragraph 2.3) is the reference document that describes the principles of corporate integrity that the group pursues; therefore, its dissemination through training to all group employees is the tool that concretizes its principles, making them a *modus operandi*.

All employees must comply with the provisions of the Code of ethics and liaise with the group's Legal Affairs department in case of doubts. Reports of any non-compliance can be made at any time and in full anonymity through the whistleblowing platform.

In its relations with customers and suppliers, the group undertakes to comply with EU and national laws that protect competition and to compete on the markets exclusively on the basis of the quality of its products and service.

The Code of ethics also makes it clear that any form of gift, exceeding normal commercial practices, which could be interpreted as a tool aimed at acquiring preferential treatment in the conduct of any activity related to the Guala Closures Group, is not permitted.

Relations with external communities must be based on respect for people, without discrimination or exploitation, and with attention to taking on board the suggestions and needs of the different realities. Respect for customers, suppliers and competitors is the basis of the group's business relations, with particular attention to avoiding any anti-competitive practices.

In 2023, the awareness-raising and training plan on the contents of the Code of ethics continued, involving 439 employees representing, at 31 December 2023, 94.2% of Guala Closures employees in Italy and 9.2% of the group's employees. The target of 100% coverage in Italy will be completed by March 2024 because the training of some employees was started in the last months of 2023 with closure scheduled for early 2024. In addition, each new hire has hours of training related to the Code of ethics and conduct.

Thanks to the dissemination of the Code of ethics, in 2023 no episodes of corruption were ascertained through the group's monitoring systems, no legal action was filed for anti-competitive conduct or violations of antitrust laws and monopolistic practices, and no reports were registered in the Group's plants through the whistleblowing platform.

With a view to transparency, the Guala Closures Group has decided to adopt the sustainability report as a tool for dialogue with stakeholders to publicly declare its sustainability performance.

With the Sustainable Together 2030 programme, it has made transparency an area of work with the aim of achieving the "Gold" rating of EcoVadis.

Through the EcoVadis platform, the group is evaluated by an independent third party on the basis of the policies, measures implemented and the results achieved with respect to environmental, social and corporate governance parameters.

In 2023, Guala Closures completed the group-wide questionnaire and was awarded the Silver medal.

6.2. SUPPLY CHAIN ENGAGEMENT

(GRI: 308-1:2016; 414-1:2016; 2-6:2021; 2-25:2021)

#supplychain; #suppliersaudit

Supply chain management, in addition to being an area of work of the governance pillar, is an integral part of the group's quality policy.

The impact of suppliers' activities could have consequences on various aspects related to product quality, food safety, occupational health and safety; ethical and social aspects; environment and energy.

For this reason, the group has put in place a procedure at corporate level that defines the methods for assessing, selecting and qualifying new suppliers and the periodic re-evaluation of qualified suppliers.

The assessment criteria are different depending on the potential risk associated with each type of product/service provided, which is why the group has classified its suppliers into 10 different classes, each of which corresponds to specific selection and qualification criteria.

In addition, suppliers are divided into:

- strategic, defined as those that provide raw materials and services to support production processes to several of the group's plants and with an annual turnover of more than €200,000. These include suppliers of aluminium, plastics and paints, for example, and are managed by the group's purchasing department;
- locals, all the others, managed by the local purchasing offices.

In the case of new suppliers, the group assesses whether they are able to provide adequate products or services in terms of quality, quantity and delivery times but also considering economic aspects, reliability, safety (product hygiene and occupational safety), environmental impact and compliance with ethical-social aspects. The evaluation is carried out by the purchasing department, also involving the internal function concerned. If the outcome of the evaluations meets the defined requirements on the products/services and the group's commercial criteria, the supplier is qualified and is included in the list of qualified suppliers.

During 2023, 443 new suppliers were selected at group level, 45 (10%) of which were assessed using ethical-social criteria and 41 (9%) of which were assessed using environmental criteria.

Already qualified suppliers are re-evaluated at least once a year (usually at the beginning of the year) by a team composed of the purchasing department, group quality assurance for corporate suppliers and quality manager (plant) for local suppliers. Annually, the group calculates for each supplier (based on its class) its potential impact on quality, food safety, environment, occupational safety and ethics. Only suppliers for whom the potential impact in various aspects is high are re-evaluated.

On the basis of the potential risks assessed, monitoring activities are launched on: product and service quality; reputational and integrity aspects; financial solvency aspects and ESG sustainability aspects. Monitoring activities determine whether the supplier is eligible or needs to requalify.

The group's constant commitment to engaging the supply chain is also reflected in the Sustainable Together 2030 programme, of which it is one of the areas of work of the governance pillar and whose objectives are to:

- promote sustainability along the supply chain through continuous performance monitoring, carried out through ecovadis and/or synesgy platforms that allow for an independent third-party assessment of ESG issues;
- align suppliers with the group's sustainability vision by having them sign the code of ethics and conduct for acknowledgment and acceptance.

These objectives, at the moment, concern 26 strategic suppliers, which in 2023 represent 38% of the Guala Closures Group's total spending.

By the end of 2023, all suppliers had completed the assessment of their ESG performance using EcoVadis and/or Synesgy (Table 30). Their initiatives on ethics and transparency have been considered adequate to ensure compliance with the ethical principles set out by the Guala Closures Group. The profile that emerged is excellent for all suppliers except one who obtained a sufficient rating and has already put in place corrective actions to improve the score. For this reason, the group does not believe that there are any material risks on ESG issues related to its strategic suppliers.

With regard to the signing of the Code of ethics and conduct, 24 out of 26 suppliers have signed, while 2 out of 26 have shared with the group their initiatives on ethics and transparency, which have been considered adequate to ensure compliance with the ethical principles set out by the Guala Closures Group.

Table 30: progress on supply chain engagement goals

OBJECTIVES	BASELINE		TARGET		TARGET ADVANCEMENT
	Year	Value	Year	Value	
100% of strategic suppliers monitored on sustainability performance	2022	46%	2023	100%	Target completed. 100% of strategic suppliers were assessed using the EcoVadis and/or Synesgy platforms.
100% of strategic suppliers signed the Guala Closures Code of ethics	2022	0%	2023	100%	Target completed. 92% (24/26) of strategic suppliers have signed the Code of ethics. The two suppliers who did not sign it shared documentation deemed sufficient to ensure compliance with the group's ethical principles.

6.3. CUSTOMER SATISFACTION

(GRI: 418-1:2016)

#customersatisfaction #dataprivacy

The main markets served by Guala Closures and accounting for about 96% of the Group's sales in 2023 can be distinguished as:

- spirits producers, who need customized closures to prevent counterfeiting;
- wine producers to whom they supply aluminum screw closures equipped with gaskets that control oxygenation;
- producers of **carbonated and non-carbonated mineral waters** in glass bottles;
- producers of **olive oil and other liquid condiments**, who need long and short closures, equipped with valves and pourers and anti-drip devices;
- manufacturers of **carbonated and non-carbonated soft drinks**, fruit juices and other soft drinks, which need aluminum and plastic closures.

Thanks to the geographical location of its plants, the group serves customers worldwide and aims to offer excellence in the products served so that the customer is always satisfied. In practice, this means:

- offer quality products in line with market developments through systematic innovation of products and processes (Paragraph 3.2);
- ensuring the health and safety of the consumer through management systems that prevent any type of risk (Paragraph 3.3.1);
- safeguarding trademarks, studying anti-counterfeiting solutions (Paragraph 3.2);
- deliver the products in the quantities and on time; this aspect is constantly monitored through the percentage of successful shipments, which increases by almost three percentage points from 89.4% (2022 figure) to 92.8% (2023 figure);
- ensure the privacy of customers and their data through cybersecurity systems, which constantly protect and monitor operational assets that may be subject to cyber incidents and attacks.

In 2023, thanks to the implementation of these systems, the group did not receive any complaints about privacy violations or data loss.

The only case of a breach of the Guala Closures network occurred in Australia, where ransomware was dropped into a former employee's laptop. Promptly the servers were shut down and cleaned, and at the same time the IT department took some additional security measures, including replacing the antivirus by switching from Kaspersky to Eset.

Finally, in order to meet the growing requests for information from customers, the group has for years been adhering to a series of initiatives for the assessment of sustainability within its plants (Sedex) and supply chain (Synesgy).

As far as Sedex is concerned, the group has included all its production sites in the platform dedicated to monitoring, with the commitment to integrate any future acquisitions / new constructions. In this way, the plants, at the customer's request, can be audited on issues related to health and safety, environmental performance, worker management and ethical aspects.

Audits are standard, and results can be shared with multiple clients who request it through the platform. In 2023, all production facilities listed in Table 8 are Sedex accredited. As for Synesgy, in October 2023 Guala Closures achieved an A score – excellent level of sustainability.

6.4. ECONOMIC RESULTS

In 2023, consolidated net revenue was €836 million, down €64 million (-7.1%) compared to 2022 pro-forma figures, mainly due to lower quantities sold. The organic reduction of €76.7 million (-8.5%) (excluding three months revenues coming from Anacorks acquisition of €0.8 million and two months from Group FengYi acquisition of €11.9 million) is mainly due to the decrease in the Roll-on and safety segments. Evolution of revenue was impacted by destocking and market slowdown, which mainly impacted the Safety and Roll-on product lines, while luxury activity was up. Other revenue includes sales of products not classified in the three standard categories and sales of components and scraps. In Figure 5 the graphic trend of turnover and EBITDA for the three-year period 2021-2023.

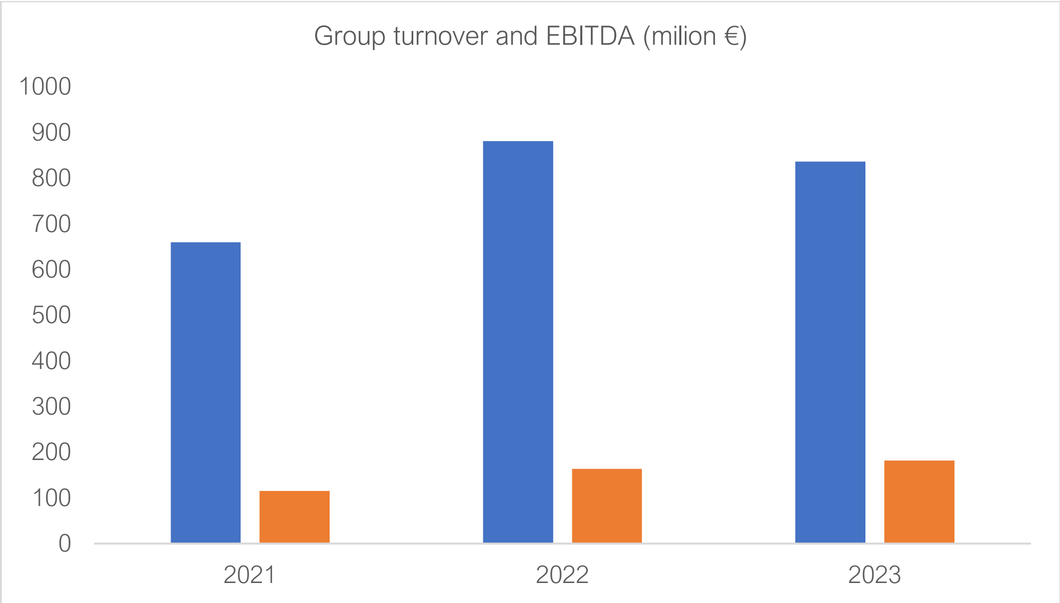


Figure 5 – group turnover and EBITDA in the three-year period 2021-2023

For further details on the financial results, please refer to the 2023 Directors' Report.

6.5. APPROACH TO TAXATION

The Guala Closures Group has a tax strategy in place inspired by the principles of honesty, fairness and transparency in line with its Code of ethics and its sustainability strategy. Therefore, it undertakes to:

- manage tax compliance in a timely manner;
- act in compliance with tax legislation through the adoption of an adequate internal control system;
- carry out transactions in accordance with the arm's length principle and applying transfer pricing at market conditions;
- adopt tax decisions in line with national and international best practices and with the guidelines provided by the relevant bodies;
- ensure the transparency of information relating to commercial transactions;
- promote adequate technical training for all employees involved in all tax-related activities.

To follow these principles, the Guala Closures Group has adopted a decentralised corporate structure: each group company is responsible for the tax compliance of the country in which it operates and avails itself of the support of local consultants as well as the parent company and a consulting firm that operates worldwide on tax issues; the latter service, enhanced at group level since 2018, ensures global oversight for the Parent Company on potential tax issues to be resolved.

Guala Closures' tax department is responsible for all tax matters within the group, with the support and involvement of each local subsidiary. Key responsibilities include ensuring global compliance, providing advice, risk management, and supporting tax audits.

In addition, the department monitors and analyses changes in tax legislation that are of global or regional relevance, produces information materials and provides training to all staff involved.

The department's activities are overseen by the group CFO, who is responsible for planning and implementing Guala Closures' financial strategy.

In Table 31 a breakdown of the taxes paid in the various tax jurisdictions is provided.

Table 31: taxes paid in the various tax jurisdictions (year 2023)

TAX JURISDICTION	RESIDENT ENTITY	ACTIVITIES OF ORGANIZATION	NUMBER OF EMPLOYEES	REVENUES FROM THIRD-PARTY SALES (€MI)	REVENUES FROM INTRA-GROUP TRANSACTIONS (€MI)	PROPERTY, PLANT AND EQUIPMENT OTHER THAN CASH AND CASH EQUIVALENTS (€MIO)	PRE-TAX PROFIT/(LOSS) (€MI)	INCOME TAXES PAID ON A CASH BASIS (€MIO)
Netherlands	Guala Closures Holding International BV	Ownership or management of intellectual property rights & subholding	4	0.00	0.00	-	20,450.00	5,446.00
Spain	GC Iberica	Production distribution	151	51,145.47	2,807.39	18,571.10	4,018.87	1,199.00
United Kingdom	Guala Closures Uk LTD	Production distribution	224	92,306.66	1,777.73	38,032.08	4,150.05	0.00
United Kingdom	Guala Closures UCP	Production distribution R&D	276	47,445.19	5,619.94	12,402.02	-16,729.59	0.00
Colombia	Guala Closures de Colombia	Production distribution	105	15,986.83	1,318.12	4,956.39	6,451.01	1,343.41
Mexico	Guala Closures Mexico S.A. de C.V.	Production distribution R&D	542	120,860.04	11,026.98	47,063.79	18,264.64	14,428.48

TAX JURISDICTION	RESIDENT ENTITY	ACTIVITIES OF ORGANIZATION	NUMBER OF EMPLOYEES	REVENUES FROM THIRD-PARTY SALES (€MI)	REVENUES FROM INTRA-GROUP TRANSACTIONS (€MI)	PROPERTY, PLANT AND EQUIPMENT OTHER THAN CASH AND CASH EQUIVALENTS (€MIO)	PRE-TAX PROFIT/(LOSS) (€MI)	INCOME TAXES PAID ON A CASH BASIS (€MIO)
Argentina	Guala Closures Argentina S.A.	Production distribution	190	14,507.36	1,159.28	5,166.68	-2,813.40	158.20
Brazil	Guala Closures do Brasil LTDA	Production distribution	92	18,386.38	692.67	8,396.51	3,068.73	1,356.99
Slope	Beijing Guala Closures LTD	Production distribution	0	5,351.68	301.05	850.47	1,065.05	675.19
	Yibin Guanghua Packaging Co Ltd	Production distribution	717	2,673.80	0.00	146.34	-15.88	0.00
	Sichuan Fengyi Cap Production Co Ltd	Production distribution		3,982.66	0.00	741.09	423.84	0.00
	Guizhou Fengyi Packaging Co Ltd	Production distribution		4,564.18	0.00	6,730.03	703.92	0.00
	Yibin Fengyi Packaging Co Ltd	Production distribution R&D		664.21	0.00	6,138.82	842.71	0.00
	Guala Closures Chengdu Co LTD	Production distribution R&D	84	1,385.62	65.83	5,032.28	-811.80	0.00
New Zealand	Guala Closures New Zealand LTD	Production distribution	40	13,363.38	186,25	6,572.28	1,005.35	465.42
India	Guala Closures India Pvt LTD	Production distribution	1.076	65,267.35	2,338.65	25,209.68	12,231.79	4,137.70
North America	Guala Closures North America Inc.	Production distribution	22	45,710.78	0.00	2,777.13	1,046.79	216.34
	Labrenta Inc.	distribution	1	447.28	0.00	-	-342.98	0.46
Australia	Guala Closures Australia Holding	Subholding, production, distribution	101	22,215.54	3,264.73	14,880.63	-2,680.04	75.84
Ukraine	Guala Closures Technologia Ukraine LLC	Production distribution R&D	766	29,775.05	36,033.73	18,679.43	17,849.89	3,750.56
Bulgaria	Guala Closures Bulgaria A.D.	Production distribution	278	5,897.78	8,271.08	6,343.05	1,616.74	251.04
Poland	Guala Closures DGS Poland	Production distribution	652	65,569.17	60,001.33	45,349.61	17,681.12	3,647.91
South Africa	Guala Closures South Africa Pty LTD	Production distribution	166	14,724.25	0.00	6,969.59	-2,101.32	0.00
Chile	Guala Closures Chile SpA	Production distribution	36	8,875.57	765.55	6,704.78	-3,698.99	0.00
France	Guala Closures France	Production distribution	16	16,666.77	120.91	2,745.58	114.64	0.00
Luxembourg	Guala Closures International S.a.r.l.	Subholding	0	-3.72	0.00	-	-1,920.44	16.50
Kenya	Guala Closures East Africa Limited	Production distribution	86	7,881.53	0.00	6,797.37	-2,456.54	723.22

TAX JURISDICTION	RESIDENT ENTITY	ACTIVITIES OF ORGANIZATION	NUMBER OF EMPLOYEES	REVENUES FROM THIRD-PARTY SALES (€MI)	REVENUES FROM INTRA-GROUP TRANSACTIONS (€MI)	PROPERTY, PLANT AND EQUIPMENT OTHER THAN CASH AND CASH EQUIVALENTS (€MIO)	PRE-TAX PROFIT/(LOSS) (€MI)	INCOME TAXES PAID ON A CASH BASIS (€MIO)
Italy	Guala Closures S.p.A.	Holding, production, distribution, R&D	496	99,373.36	76,265.32	90,413.28	16,273.87	2,349.71
	Labrenta S.r.l.	Holding, production, distribution, R&D	111	19,384.69	1,128.35	10,789.49	-533.20	1,139.72
Belarus (BY)	Guala Closures BY LLC	Production distribution	1	34.67	0.00	789.10	-321.56	55.41
Turkey	Guala Closures Turkey Ambalj ve Kapak Sistemleri Sanaji ve Ticaret Anomim	Sales department	2	0.00	0.00	1.16	277.03	19.78
Germany	Guala Closures Deutschland GmbH	Production distribution	133	41,407.48	1,351.66	13,369.81	211.33	0.00
Portugal	Anacorks Uniperssoal Lda	Production distribution	23	776.28	150.64	1,365.54	234.78	107.60
SUBTOTAL			6,391	836,627.29	214,647.19	413,985.11	93,556.41	41,564.48
Consolidation adjustments – Reversal of intra-group dividends			-	-	-	-	-	-
Consolidation				447.28	0.00			
Other consolidation adjustments							-50,157.45	
TOTAL			6,391	836,180.01	214,647.19	413,985.11	43,398.96	41,564.48

7. APPENDIX

Table 32: how to manage impacts related to material issues

MATERIAL ASPECTS	IMPACTS	ACTUAL/ POTENTIAL	IMPACT MANAGEMENT
Health and safety in the workplace	Injuries to employees due to work-related injuries	Actual	The group is intensifying preventive actions in order to promote a culture dedicated to safety at work that aims at zero accidents and zero occupational diseases, an objective included in the targets of the Sustainable Together 2023-2030 strategy. To this end, increasingly stringent procedures and tools are being implemented to avoid any potential risk: near-misses, periodic audits, incident analysis, sending the company safety newsletter, sharing best practices and obtaining certifications of occupational health and safety management systems (ISO 45001). In addition, infrastructure investments (H&S CAPEX) continue to increase the safety of equipment and machinery. The group is intensifying training hours on HSE issues to increase employees' awareness of health and safety issues in the workplace, developing their skills in accident prevention and the measures necessary to ensure health and safety in the workplace, thus strengthening a common and global culture on the subject at group level.
	Employee motivation and productivity	Potential	
	Reputational damage	Potential	
	Employee attraction and retention	Potential	
	Trade union tensions and strikes	Potential	
	Legal disputes, imposition of taxes and penalties	Actual	
Diversity & inclusion	Employee motivation and productivity	Potential	The Guala Closures Group ensures the integration and professional development of employees in a fair work environment, in which everyone is valued in their differences. Non-discrimination, gender equality and equal opportunities for women, equality in the workplace, inclusion regardless of age, disability, religion, ethnicity, gender, intergenerational interaction and collaborations with associations specialising in disability are promoted. The group has a Whistleblowing system in place to support the possibility of making anonymous reports regarding these issues and on every aspect included in the Code of Ethics and Management Systems
	Employee attraction and retention	Potential	
	Reputational damage	Potential	
	Trade union tensions and strikes	Potential	
	Gender pay gap	Potential	
	Mentoring and know-how transfer	Actual	
	Involvement of protected categories	Actual	
Employee development and training	Employee motivation and productivity	Potential	The group is very sensitive to ethical issues, regulatory compliance and the professional preparation of its employees, in order to maintain high motivation, productivity and customer loyalty. For these reasons, the group has developed dedicated training programs in each Business Unit, in line with company policis and various local regulations, for the professional and personal growth of all its employees. The group also facilitates employee involvement and welcomes suggestions and ideas, which are often important for the development and improvement of production processes.
	Employee attraction and retention	Potential	
	Compliance with ethics, rules, and regulations	Actual	
	Mentoring and know-how transfer	Actual	
Human rights	Ensuring respect for human rights in the value chain	Potential	The group guarantees respect for human rights both within the company and along the entire value chain. In 2022, the group published a new Code of Conduct that analyses and regulates
	Child and forced or	Potential	

MATERIAL ASPECTS	IMPACTS	ACTUAL/ POTENTIAL	IMPACT MANAGEMENT
	forced labour		issues related to the fight against corruption, child labour and forced or compulsory labour. Each Function Director is required to ensure maximum compliance with the main contents of the Code and a Whistleblowing channel has been made available for employees to report any violations. The supply chain is regularly assessed and monitored both internally, through questionnaires and audits, and externally through dedicated platforms.
	Employee attraction and retention	Potential	
	Employee motivation and productivity	Potential	
	Reputational damage	Potential	
	Improvement of local communities	Actual	
Greenhouse gas emissions	Investments in sustainable technologies (ESG investing)	Actual	The group is committed to reducing Scope 1 and 2 greenhouse gas emissions and, to further expand its environmental responsibility, is working with suppliers and partners to reduce Scope 3 greenhouse gas emissions as much as possible. To achieve these ambitious goals, the carbon footprint along the entire production chain is analyzed. This happens both directly in the factories, optimizing processes and investing in new equipment, and indirectly along the supply chain, optimizing loads and logistics and creating partnerships with energy suppliers. The group is charting the path towards low-carbon growth by setting ambitious greenhouse gas emission reduction targets based on the latest science-based data from the Science Based Target (SBTi) initiative, promoting integration and transition to renewable energy sources.
	Contribution to climate change	Actual	
	Strategy for climate change mitigation and reduction of greenhouse gas emissions	Actual	
	Failure to meet greenhouse gas reduction targets	Potential	
	Reduction of greenhouse gas emissions from the supply chain	Actual	
	Efficient use of finite resources	Potential	
Water management	Legal disputes, imposition of taxes and penalties	Actual	The group is committed to reducing water consumption in its plants, especially in areas where resources are less available. It is proposed to do this by acting on industrial processes (cooling of plastic molding presses, evaporation towers for injection molding circuits and degreasing of aluminum coils).
	Reduction of water consumption	Actual	
	Cost reduction	Actual	
	Reputational damage	Potential	
	Investments in sustainable technologies	Actual	
Energy transition	Investments in sustainable technologies (ESG investing)	Actual	The group is dedicated to reducing natural gas consumption through the innovation of production processes and the electrification of machinery and production systems. All opportunities for the use of renewable energy are studied according to local conditions, forming partnerships with energy suppliers to contain costs. Several plants have already switched to renewable energy sources and more will do so in the coming years.
	Strategy for climate change mitigation and reduction of greenhouse gas emissions	Actual	
	Increased operating costs	Actual	
	Environmental impact of the product	Actual	
Air pollution	Legal disputes, imposition of taxes and penalties	Actual	Air pollution has a direct impact on human health. Guala Closures is a company that is committed to acting responsibly and wants to

MATERIAL ASPECTS	IMPACTS	ACTUAL/ POTENTIAL	IMPACT MANAGEMENT
	Reputational damage	Potential	address this issue to ensure the well-being of its employees, customers and the communities in which it operates. In addition, as a global manufacturer of closures, Guala Closures must comply with increasingly stringent closures regulations to avoid legal penalties and consequent reputational damage. Considering these factors, Guala Closures recognizes air pollution as a material topic that requires its attention and commitment to mitigate and reduce its impact on the environment and society.
	Local pollution (air, water, soil)	Actual	
Use of recycled raw materials	Strategy for climate change mitigation and reduction of greenhouse gas emissions	Actual	To reduce the impact in terms of the use of raw materials, the group's strategy is based on the production of closures with a high percentage of recycled material and the reduction of the use of raw materials in the caps.
	Environmental impact of products	Actual	
	Equipment efficiency	Potential	
	Availability of recycled material	Potential	
	Gain in terms of reputation	Potential	
	Circularity of resources	Potential	
Waste reduction	Investments in sustainable technologies (ESG investing)	Actual	The group's commitment to waste management is guaranteed by the adoption of eco-design guidelines that aim to: • produce less waste and send it to recycling and reuse processes; • reduce the use of virgin raw materials by favouring the use of alternative materials (from renewable sources or with recycled content); • Invest in innovative technologies to reduce waste.
	Disposal costs (including charges and taxes)	Actual	
	Increased waste recycling	Actual	
	Reputational damage	Potential	
	Local pollution (air, water, land)	Actual	
	Legal disputes, imposition of taxes and penalties	Actual	
Environmental management systems	Local pollution (air, water, land)	Actual	The ISO 14001 environmental management system makes it possible to assess, monitor and guarantee the environmental quality of products and processes. Its adoption allows the group to easily apply the principles related to the circularity of resources (lower use of raw materials and consequent improvement of environmental impact). The group is working on extending the ISO 14001:2015 environmental certification to all plants.
	Reputational damage	Potential	
	Circularity of resources	Potential	
	Customer attraction	Potential	
Supply chain engagement & sustainability	Strategy for climate change mitigation and reduction of greenhouse gas emissions	Actual	The group controls the supply chain throughout the duration of the business relationship. At the beginning of 2020, the supplier qualification procedure was implemented to include all relevant ESG aspects (including the sharing and acceptance of the principles defined in the Code of Ethics). At the same time, the group has started the use of a dedicated platform for the evaluation of strategic suppliers.
	Reducing greenhouse gases from our supply chain	Actual	
	Ethics and compliance in the value chain	Actual	

MATERIAL ASPECTS	IMPACTS	ACTUAL/ POTENTIAL	IMPACT MANAGEMENT
	Ensuring respect for human rights in the value chain	Potential	
Innovation and eco-design	Customer Attraction	Potential	The group has adopted guidelines for the eco-design of products, which are based on four principles: saving everything that is not necessary (design to reduce), reducing the use of exhaustible resources (design to change), use of biodegradable materials at the end of life (design to fade) and design of recyclable closures at the end of life (design to revive). In addition, there is a constant search for new production technologies that can automate production and increase efficiency.
	Strategy for climate change mitigation and reduction of greenhouse gas emissions	Actual	
	Availability of recycled material	Potential	
	Investments in sustainable technologies (ESG investing)	Actual	
	Environmental impact of the product	Actual	
Customer satisfaction	Legal disputes, imposition of taxes and penalties	Potential	The characteristics of the products offered by Guala Closures are defined with its customers, in order to fully meet their needs and ensure the highest quality and reliability. In addition, customer service is monitored through the reporting of the compliance of shipments in terms of number of pieces and delivery times, thanks to the monitoring of the on time in full indicator. On a monthly basis, data relating to complaints at group level is collected. The indicator relating to the number of complaints per million closures produced is also measured and monitored.
	Gain in terms of reputation	Potential	
	Consumer health	Potential	
Product quality and safety	Consumer health	Potential	The group manages its production resources through the control and updating of products and processes, encouraging solid relationships with the main suppliers, fully complying with all applicable requirements, with a view to pursuing continuous improvement of the offer. The group monitors the quality of its products through internal KPIs and a continuous dialogue with customers. All Guala Closures' operational and business processes are developed with reference to ISO 9001 - Quality Management System and ISO 22000 or equivalent - Food Safety Management Systems. On a monthly basis, data relating to complaints at group level is collected. The indicator relating to the number of complaints per million closures produced is also measured and monitored.
	Gain in terms of reputation	Potential	
	Legal disputes, imposition of taxes and penalties	Actual	
Data privacy & cybersecurity	Interruption of production or operation due to system malfunction	Potential	The group has implemented a corporate reference system for cybersecurity management and data protection controls aligned with regulatory requirements (local and/or international) to constantly protect and monitor critical operational assets from cyber incidents and attacks.
	Loss of internal data	Potential	
	Unauthorized disclosure/use of confidential data	Potential	
	Reputational damage	Potential	
	Legal disputes, imposition of taxes and penalties	Actual	
Ethics, integrity and	Gain in terms of reputation	Potential	The group is attentive and committed to ensuring that the company's actions in the

MATERIAL ASPECTS	IMPACTS	ACTUAL/ POTENTIAL	IMPACT MANAGEMENT
transparency	Ensuring human rights in the value chain	Potential	market reflect the group's ethical values. These values are defined in company policies and are based on three pillars (environmental, social, and governance). Compliance with these values is guaranteed at all levels of the company and in the management of relations with internal and external stakeholders. Along with ethics and integrity, transparency has always been part of the group's founding values. This issue is regulated internally by the Code of Conduct. The group has a whistleblowing system for the anonymous reporting of any problem relating to violations of the Code of Ethics and Compliance Models.
	Ethics and Compliance in the Value Chain	Actual	
	Corruption	Potential	
	Legal disputes, imposition of taxes and penalties	Actual	
	Unauthorized disclosure/use of confidential data	Potential	
	Loss of internal data	Potential	
Economic performance	Investments in sustainable technologies (ESG investing)	Actual	The group constantly monitors its financial and non-financial results, in order to better assess both development opportunities in existing markets and expansion into new markets. The group publishes its financial results periodically, at the end of each quarter.
	Employee motivation and productivity	Potential	
	Employee attraction and retention	Potential	

Table 33: amount of refrigerant gas topped up per year

REFRIGERANT GAS EMISSIONS	UNITS OF MEASUREMENT	2021	2022	2023
R-134A	Kg	170.7	163.4	27.0
R-22	Kg	51.8	242.8	909.3
R-404A	Kg	33.0	14.2	32.3
R-407C	Kg	288.5	209.4	108.2
R-410A	Kg	70.7	90.1	126.6
R-417A	Kg	2.1	5.0	2.0
R-12	Kg	1.4	0.0	0.0
R-1234yf	Kg	1.0	0.0	0.0
R-407F	Kg	1.0	0.0	0.0
R-427A	Kg	1.0	0.0	0.0
R-507	Kg	1.0	0.0	0.0
R-422D	Kg	1.0	0.0	0.0

Table 34: group employees by geographical area and breakdown by gender, age, qualification, hiring, turnover, resignation and type of contract, for the three-year period 2021-2023

EMPLOYEES - OVERALL DETAILS[40]		EUROPE			AMERICAS			ASIA			OCEANIA			AFRICA			TOTAL		
		2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021[41]	2022	**2023**
GENDER	MEN	2,343	2,412	**2,299**	563	588	**555**	577	569	**565**	107	109	**106**	129	126	**129**	3,719	3,804	**3,654**
	WOMEN	667	726	**678**	375	414	**399**	36	35	**34**	20	19	**21**	42	42	**42**	1,140	1,236	**1,174**
	TOTAL	3,010	3,138	**2,977**	938	1,002	**954**	613	604	**599**	127	128	**127**	171	168	**171**	4,859	5,040	**4,828**
AGE	< 30 years	346	373	**314**	305	313	**278**	188	154	**122**	0	4	**6**	15	12	**12**	854	856	**732**
	Between 30 and 50 years old	1,719	1,802	**1,666**	450	507	**524**	398	423	**443**	57	48	**57**	115	119	**106**	2,739	2,899	**2,796**
	<50 years	945	963	**997**	183	182	**152**	27	27	**34**	70	76	**64**	41	37	**53**	1,266	1,285	**1,300**
	TOTAL	3,010	3,138	**2,977**	938	1,002	**954**	613	604	**599**	127	128	**127**	171	168	**171**	4,859	5,040	**4,828**
QUALIFICATION	EXECUTIVES	208	265	**261**	23	48	**51**	31	33	**32**	23	21	**22**	11	10	**11**	296	377	**377**
	EMPLOYEES	539	521	**500**	233	208	**196**	222	209	**215**	11	12	**12**	35	34	**39**	1,040	984	**962**
	WORKERS	2,263	2,352	**2,216**	682	746	**707**	360	362	**352**	93	95	**93**	125	124	**121**	3,523	3,679	**3,489**
	TOTAL	3,010	3,138	**2,977**	938	1,002	**954**	613	604	**599**	127	128	**127**	171	168	**171**	4,859	5,040	**4,828**
NEW HIRES	MEN	309	336	**180**	132	215	**117**	70	77	**81**	19	16	**22**	30	5	**12**	560	649	**412**
	WOMEN	62	91	**65**	162	245	**121**	4	6	**14**	0	2	**6**	9	5	**8**	237	349	**214**
	TOTAL	371	427	**245**	294	460	**238**	74	83	**95**	19	18	**28**	39	10	**20**	797	998	**626**
HIRING TURNOVER	MEN	13%	14%	**7.8%**	23%	37%	**21.1%**	12%	14%	**14.3%**	18%	15%	**20.8%**	23%	4%	**9.3%**	15%	17%	**11%**
	WOMEN	9%	13%	**9.6%**	43%	59%	**30.3%**	11%	17%	**41.2%**	0%	11%	**28.6%**	21%	12%	**19.0%**	21%	28%	**18%**
	TOTAL	12%	14%	**8.2%**	31%	46%	**24.9%**	12%	14%	**15.9%**	15%	14%	**22.0%**	23%	6%	**11.7%**	16%	20%	**13%**
RESIGNED	MEN	316	324	**288**	107	194	**153**	80	86	**86**	28	18	**25**	20	12	**22**	551	634	**574**
	WOMEN	75	78	**111**	132	203	**137**	4	7	**9**	2	0	**4**	9	3	**15**	222	291	**276**
	TOTAL	391	402	**399**	239	397	**290**	84	93	**95**	30	18	**29**	29	15	**37**	773	925	**850**
TURNOVER RESIGNED	MEN	13%	13%	**12.5%**	19%	33%	**27.6%**	14%	15%	**15.2%**	26%	17%	**23.6%**	16%	10%	**17.1%**	15%	17%	**16%**
	WOMEN	11%	11%	**16.4%**	35%	49%	**34.3%**	11%	20%	**26.5%**	10%	0%	**19.0%**	21%	7%	**35.7%**	19%	24%	**24%**
	TOTAL	13%	13%	**13.4%**	25%	40%	**30.4%**	14%	15%	**15.9%**	24%	14%	**22.8%**	17%	9%	**21.6%**	16%	18%	**18%**
PART-TIME / FULL-TIME[42]	PART-TIME MEN	26	24	**18**	0	0	**0**	0	0	**0**	0	0	**0**	3	2	**2**	29	26	**20**
	PART-TIME WOMEN	28	39	**30**	0	0	**0**	0	0	**0**	1	1	**1**	3	1	**1**	32	41	**32**
	FULL-TIME MEN	2,317	2,388	**2,281**	563	588	**555**	577	569	**565**	107	109	**106**	126	124	**127**	3,690	3,778	**3,634**
	FULL-TIME WOMEN	639	687	**648**	375	414	**399**	36	35	**34**	19	18	**20**	39	41	**41**	1,108	1,195	**1,142**
	TOTAL	3,010	3,138	**2,977**	938	1,002	**954**	613	604	**599**	127	128	**127**	171	168	**171**	4,859	5,040	**4,828**

Table 35: percentage breakdown of group employees by category and gender for 2023

GROUP EMPLOYEES BY CATEGORY	2023	
	Men	Women
Manager	77%	23%
Employees	66%	34%
Workers	78%	22%
TOTAL	76%	24%
Temporary workers	83%	17%

Table 36: percentage breakdown of group employees by gender and age for 2023

GROUP EMPLOYEES BY AGE	2023	
	Men	Women
Age under 30 years	71%	29%
Age between 30-50 years	76%	24%
Age over 50 years	78%	22%

Table 37: percentage breakdown of group employees by category, gender and age group for 2023

GROUP EMPLOYEES IN 2023	UNDER 30 YEARS OLD	AGE 30-50 YEARS	OVER 50 YEARS OLD
Women – Managers	1%	71%	28%
Men – Managers	1%	47%	52%
Women – Employees	17%	59%	24%
Men – Employees	14%	58%	28%
Women – Workers	20%	56%	24%
Men – Workers	16%	59%	25%

[40] The breakdown of employees by type of contract (fixed-term or open-ended) is not a relevant indicator for the group; Therefore, there is currently no aggregation of the number of employees according to this breakdown. In the course of 2024, the group will work to integrate this level of aggregation into its data collection system, CIS Tool.

[41] Some of the values in this column referring to the totals of the various subdivisions for 2021 have been corrected compared to what was published in the group's previous Sustainability Report, where there were formatting typos. However, the 2021 data for the specific regions was correct, so only the correct amounts have been changed here.

[42] The number of part-time employees is calculated considering the actual number of employees with part-time contracts as of 31/12 in all group plants. The number of full-time employees is the difference between the total number of employees as of 31/12 and the number of part-time employees as of the same date.

Table 38: group employees hired and terminated in 2023, by geographical area, gender and age

EMPLOYEES – HIRED AND RESIGNED BY AGE GROUP AND GEOGRAPHICAL AREA		2023					
		EUROPE	AMERICAS	ASIA	OCEANIA	AFRICA	TOTAL
AGE AND GENDER OF NEW HIRES	MEN <30 years old	56	72	19	5	3	155
	MEN 30-50 years old	87	43	61	15	6	212
	MEN >50 years old	37	2	1	2	3	45
	WOMEN <30 years old	23	61	4	1	1	90
	WOMEN 30-50 years old	33	58	10	5	5	111
	WOMEN >50 years old	9	2	0	0	2	13
	TOTAL	245	238	95	28	20	626
TURNOVER OF NEW HIRES BY AGE AND GENDER	MEN <30 years old	21%	58%	17%	100%	43%	30%
	MEN 30-50 years old	7%	13%	14%	31%	7%	10%
	MEN >50 years old	5%	2%	3%	4%	7%	4%
	WOMEN <30 years old	55%	40%	40%	100%	20%	42%
	WOMEN 30-50 years old	8%	28%	45%	56%	20%	16%
	WOMEN >50 years old	4%	5%	0%	0%	17%	5%
	TOTAL	8%	25%	16%	22%	12%	13%
AGE AND GENDER EMPLOYEES RESIGNED	MEN <30 years old	63	72	65	6	6	212
	MEN 30-50 years old	142	60	20	15	12	249
	MEN >50 years old	83	21	1	4	4	113
	WOMEN <30 years old	19	62	4	0	2	87
	WOMEN 30-50 years old	56	66	5	3	11	141
	WOMEN >50 years old	36	9	0	1	2	48
	TOTAL	399	290	95	29	37	850
TURNOVER RESIGNED BY AGE AND GENDER	MEN <30 years old	23%	58%	58%	120%	86%	41%
	MEN 30-50 years old	11%	19%	5%	31%	15%	12%
	MEN >50 years old	11%	19%	3%	8%	10%	11%
	WOMEN <30 years old	45%	40%	40%	0%	40%	41%
	WOMEN 30-50 years old	13%	32%	23%	33%	44%	21%
	WOMEN >50 years old	17%	23%	0%	9%	17%	17%
	TOTAL	13%	30%	16%	23%	22%	18%

Table 39: accident indexes broken down by geographical area (three-year period 2021-2023)

DATUM	EUROPE			AMERICAS			ASIA			OCEANIA			AFRICA			TOTAL		
	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Accidents at work	25	35	**43**	27	41	**21**	1	4	**7**	3	2	**1**	14	7	**1**	70	89	**73**
Of which severe (more than 180 days)	0	0	**0**	0	0	**1**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**1**
Of which fatalities	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
Days lost due to injury	1,023	1,728	**1,145**	1,292	1,077	**959**	56	136	**271**	10	4	**34**	99	124	**103**	2,480	3,069	**2,512**
Frequency index	4.28	5.76	**8.32**	12.16	15.83	**7.84**	0.55	1.16	**3.09**	10.62	6.43	**3.99**	37.57	5.86	**1.09**	6.64	6.54	**6.47**
Severity index	0.17	0.28	**0.22**	0.58	0.42	**0.36**	0.03	0.04	**0.12**	0.04	0.01	**0.14**	0.27	0.1	**0.11**	0.24	0.23	**0.22**
N° of cases of occupational diseases	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**

8. METHODOLOGICAL NOTE

(GRI 2-2:2021; 2-3:2021; 2-4:2021; 2-5:2021; 2-14:2021)

This document contains the Sustainability Report (hereinafter also referred to as the "Report") of Guala Closures SpA published on annual base and has been prepared following the indications of the Global Reporting Initiative (GRI) Standards based on the "in compliance" approach in compliance with all nine requirements defined in *GRI 1: Reporting Standards 2021*.

The definition of material issues and their reporting follow the indications of the *GRI 3: Material Themes 2021* and the specific Standards defined for each relevant topic, as there is no GRI Industry Standard applicable to the group. The list of material issues identified is the result of the materiality analysis process developed by the group and is described in detail in the Paragraph 1.5. In cases where a material issue is not covered in the GRI Specific Standards disclosures, it has been reported using at least the 3-3 disclosures in *GRI 3: Material Themes 2021* and the internal indicators developed by the group. A detailed list of reported indicators can be found in the GRI Table of Contents, at the end of this annex.

The data and qualitative information reported refer to the year ended 31 December 2023. In addition, data for the previous two years (2021 and 2022) are also reported to provide an overview of performance over time.

The reporting boundary considered to prepare the sustainability report includes the parent company (Guala Closures S.p.A) and fully consolidated subsidiaries with production sites, with the exception of the plants of:

- Labrenta Brazil, closed in December 2023;
- Anacork and the three Chinese sites of Guala Closures Fengyi (Yibin, Luzhou and Guizhou), acquired in September 2023.

The plants included for social and environmental data reporting total 29 and are shown in Table 40, while the scope of economic data coincides with that of the 2023 Consolidated Financial Statements.

Table 40: the plants that are part of the reporting perimeter

EUROPE					
BULGARIA Kazanlak	**FRANCE** Chambray Les Tours	**GERMANY** Worms	**ITALY** Magenta Spinet M.go Termoli Breganze Milano (offices)	**POLAND** Wloclawek	**UK** Bridge of Allan Kirkintilloch
SPAIN Jerez Olerdola		**UKRAINE** Sumy Ternopil			
NORTH AMERICA					
MEXICO S.J.Iturbide		**USA** Fairfield			
SOUTH AMERICA					
ARGENTINA Chivilcoy	**BRAZIL** São Paulo	**COLOMBIA** Bogota	**CHILE** Santiago de Chile		
OCEANIA					
NEW ZEALAND Auckland		**AUSTRALIA** Melbourne			
ASIA					
CHINA Chengdu		**INDIA** Ahmedabad Daman Dharwad Goa			
AFRICA					
KENYA Nairobi		**SOUTH AFRICA** Cape Town			

As part of the reporting of the material topic "Air pollution", the boundary includes the plants of Chivilcoy, Jerez, Kirkintilloch, Magenta, Olerdola, Santiago de Chile, Spinetta Marengo, Sumy, Worms. For the reporting of water resources, on the other hand, in 2023 the perimeter of the plants included in the areas characterised by water stress changed compared to the previous year and includes the production sites in South Africa, Chile, Mexico, China, Australia, Spain, as well as the Indian plants in Ahmedabad and Daman and the Italian plant in Termoli.

Reporting and data collection process

The process of drafting the sustainability report is coordinated by the group's quality and sustainability director and involves the direct involvement of those responsible for managing the various functions, based on the topics reported: human resources, purchasing, certifications, research and innovation, health and safety, legal and IT area, etc.

The collection of environmental and social data necessary for the reporting of GRI indicators and internal KPIs takes place through the use of the CIS-Tool, the group's CSR reporting software, which is widespread in all plants around the world and allows the systematization of the collection process, requiring the monthly upload of data by individual production sites. All data upload users have received adequate training on correct data entry and have constant access to the CIS-Tool user manual. The corporate CSR Team coordinates data collection activities and is dedicated to verifying, consolidating results and developing indicators. At 2022, the central CSR Team shares a supplementary questionnaire with all plants with the aim of supplementing the collection of the CIS-Tool with other qualitative information necessary to complete the reporting. In addition, on an annual basis, the same team is dedicated to collecting information on the initiatives carried out at the local level.

The document is developed annually and is validated by the board of directors in conjunction with the approval of the group's consolidated financial statements.

It is also subject to a limited audit ("Limited Assurance Engagement") by the independent third-party company PricewaterhouseCooper Business Services Srl. It should also be noted that PricewaterhouseCooper SpA is also responsible for auditing the consolidated financial statements. The audit was carried out in accordance with the procedures and criteria set out in the "Independent Auditors' Report" section of this document.

For further information on the contents of this sustainability report, please contact Guala Closures at: sustainability@gualaclosures.com

9. GRI TABLE OF CONTENTS

DECLARATION OF USE	Guala Closures S.p.A has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 in accordance with GRI standards.
USED GRI 1	GRI 1 - Foundation - version 2021
RELEVANT GRI INDUSTRY STANDARDS	The Industry Standards in which Guala Closures operates are not currently available.

GRI STANDARDS	INFORMATION	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
GENERAL INFORMATION					
GRI 2: General Information 2021	2-1 Organization Details	1.1 The Group			
	2-2 Entities included in the organization's sustainability reporting	8. Methodological note			
	2-3 Reporting Period, Frequency and Point of Contact	8. Methodological note			
	2-4 Restatement of Information	4.2 Greenhouse gas emissions			
	2-5 External Assurance	8. Methodological note			
	2-6 Activities, value chain and other business relationships	1.1 The Group 1.2 Product lines 1.3 Group structure and global presence 1.4 Production processes 6.2 Supply chain engagement			
	2-7 Employees	5.1 Guala Closures employees 7. Annex	2-7 b (i) (ii)	Unavailable/incomplete information	Since the group, to date did not need to monitor this information, this data is not present in the automated data collection system. Guala Closures plans to report on its FY2024 disclosures.
	2-8 Non-employee workers	5.1 Guala Closures employees			
	2-9 Governance structure and composition	2.1 Corporate governance			

GRI STANDARDS	INFORMATION	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
	2-10 Appointment and selection of the highest governing body	2.1 Corporate governance			
	2-11 Chairman of the highest governing body	2.1 Corporate governance			
	2-12 Role of the highest governing body in overseeing impact management	2.2 Sustainability governance 2.4 Analysis and management of risks and opportunities			
	2-13 Delegation of Responsibility for Impact Management	2.2 Sustainability governance 2.4 Analysis and management of risks and opportunities			
	2-14 Role of the highest governance body in sustainability reporting	1.5 Stakeholder engagement and materiality analysis 2.1 Corporate governance 8. Methodological note			
	2-15 Conflicts of interest	2.1 Corporate governance			
	2-16 Communication of critical issues	2.4 Analysis and management of risks and opportunities			
	2-17 Collective powers of the highest governing body	2.2 Sustainability governance			
	2-18 Performance Assessment of the Top Governing Body	3.1 Sustainable together 2030			
	2-19 Remuneration Policies	2.1 Corporate governance			
	2-20 Pay Determination Process	5.3 Diversity and inclusion			
	2-21 Annual Total Compensation Report	-		Incomplete information	The collection of payroll data via the CIS-Tool was launched in 2023. Further refinement activities are considered necessary to ensure the correct quality of the data, with reference to some non-European sites. The group's commitment for FY2024 is to monitor data uploads in close collaboration with the Human Resources department at the central level and at the various sites.
	2-22 Declaration on the Sustainable Development Strategy	Letter to stakeholders			
	2-23 Policy Commitments	2.3 Policies and guidelines			

GRI STANDARDS	INFORMATION	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
	2-24 Integration of policy commitments	2.3 Policies and Guidelines			
	2-25 Processes to remediate negative impacts	2.4 Analysis and management of risks and opportunities 3.3 Management systems and certifications 6.2 Supply Chain Engagement			
	2-26 Mechanisms for Requesting Clarification and Raising	2.3 Policies and Guidelines			
	2-27 Compliance with Laws and Regulations	During 2022, there were no significant cases of non-compliance with laws and regulations			
	2-28 Membership of associations	1.5 Stakeholder engagement and materiality analysis			
	2-29 Stakeholder Engagement Approach	1.5 Stakeholder engagement and materiality analysis			
	2-30 Collective bargaining agreements	5.1 Guala Closures employees			
MATERIAL THEMES					
GRI 3: Material Themes 2021	3-1 Process for Determining Material Themes	1.5 Stakeholder engagement and materiality analysis			
	3-2 List of Material Topics	1.5 Stakeholder engagement and materiality analysis			
ETHICS, INTEGRITY AND TRANSPARENCY					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 205: Anti-Corruption 2016	205-3 Established Corruption and Action Taken	6.1 Ethics and transparency			
GRI 206: Anti-competitive behaviour 2016	206-1 Lawsuits for Anti-Competitive Conduct, Antitrust, and Monopolistic Practices	6.1 Ethics and transparency			
USE OF RECYCLED RAW MATERIALS					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 301: Materials 2016	301-1 Materials Used by Weight or Volume 301-2 Materials used that come from recycling	4.5 Raw materials			

GRI STANDARDS	INFORMATION	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
ENERGY TRANSITION					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 302: Energy 2016	302-1 Energy consumed within the organization 302-3 Energy intensity	4.1 Energy consumption			
WATER MANAGEMENT					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 303: Water and Water Discharges 2018	303-1 Interactions with Water as a Shared Resource 303-2 Management of water discharge-related impacts 303-3 Water withdrawal	4.4 Water resources			
GREENHOUSE GAS EMISSIONS					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1) 305 – 2 Indirect GHG emissions from energy consumption (Scope 2) 305-3 Other indirect GHG emissions (Scope 3) 305-4 Intensity of GHG emissions	4.2 Greenhouse gas emissions			
AIR POLLUTION					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions	4.2.2 Other emissions			
WASTE REDUCTION					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste produced	4.3 Waste			
SUPPLY CHAIN ENGAGEMENT & SUSTAINABILITY					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality			

GRI STANDARDS	INFORMATION	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
		analysis			
GRI 308: Environmental Supplier Assessment 2016	308-1 New Suppliers Who Have Been Assessed Using Environmental Criteria	6.2 Supply Chain Engagement			
GRI 414: Social Supplier Assessment 2016	414-1 New suppliers who have been evaluated through the use of social criteria				
EMPLOYEE DEVELOPMENT AND TRAINING					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 401: Employment 2016	401-1 New hires and turnover	5.1 Guala Closures employees 7.Annex			
GRI 404: Training and Education 2016	404-1 Average Annual Training Hours per Employee	5.2 Employee training and development			
HEALTH AND SAFETY IN THE WORKPLACE					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management Systems 403-2 Hazard Identification, Risk Assessment, and Accident Investigation 403-3 Occupational Medical Services 403-4 Worker Participation and Consultation and Occupational Health and Safety Communication 403-5 Occupational health and safety training of workers 403-6 Promotion of workers' health 403-7 Prevention and Mitigation of Occupational Health and Safety Impacts in Business Relations	5.1 Guala Closures employees 5.2 Employee training and development 5.5 Occupational health and safety			
	403-9 Accidents at work 403-10 Occupational diseases	5.5 Occupational health and safety 7. Annex			
DIVERSITY & INCLUSION					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 405:	405-1 Diversity in	5.1 Guala			

GRI STANDARDS	INFORMATION	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
Diversity and Equal Opportunities 2016	Governing Bodies and Among Employees	Closures employees 7.Annex			
HUMAN RIGHTS					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and remedial measures taken	5.3 Diversity and inclusion			
PRODUCT QUALITY AND SAFETY					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance regarding health and safety impacts of products and services	3.3.1 Food quality and safety			
DATA PRIVACY AND CYBERSECURITY					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
GRI 418: Customer Privacy 2016	418-1 Proven Complaints Regarding Customer Privacy Violations and Loss of Customer Data	6.3 Customer satisfaction			
ENVIRONMENTAL MANAGEMENT SYSTEMS					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
N. A.	Percentage of establishments that have achieved ISO 14001 certification	3.3 Management and certification systems			
INNOVATION AND ECO-DESIGN					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
N. A.	Number of intellectual properties Number of lawsuits related to intellectual property infringement	3.2 Innovation and eco-design			
CUSTOMER SATISFACTION					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
N. A.	Percentage of successful deliveries (pre-set quantity orders and delivery times) Number of	3.3.1 Food quality and safety 6.3 Customer satisfaction			

GRI STANDARDS	INFORMATION	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
	complaints/observations per million closures produced				
ECONOMIC PERFORMANCE					
GRI 3: Material Themes 2021	3-3 Material Theme Management	1.5 Stakeholder engagement and materiality analysis			
N. A.	Turnover EBITDA	6.4 Economic results			

10. CORRELATION TABLE WITH THE PRINCIPLES OF THE GLOBAL COMPACT

UNGC PRINCIPLES	PARAGRAPHS	GRI INDICATOR
HUMAN RIGHTS		
Principle 1: Business should support and respect the protection of internationally proclaimed huma rights	2.3 Group policies 3.3 Management systems and certifications 3.1 Sustainable Together 2030 5.2 Employee training and development 5.3 Diversity and inclusion 5.5 Occupational health and safety	403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-9; 405-1; 406-1
Principle 2: make sure that they are not complicit in human rights abuses	2.3 Group policies 5. People and society 6.2 Supply chain engagement	414-1
LABOUR WORK		
Principle 3: Business should upload the freedom of association and the effective recognition of the right to collective bargaining	2.3 Group policies 3.3 Management systems and certifications 5.1 Guala Closures employees	2-30
Principle 4: the elimination of all forms of forced and compulsory labour	2.3 Group policies 3.3 Management systems and certifications 6.1 Ethics and transparency 6.2 Supply chain engagement	414-1
Principle 5: the effective abolition of child labour	2.3 Group policies 3.3 Management systems and certifications 6.1 Ethics and transparency 6.2 Supply chain engagement	414-1
Principle 6: the elimination of discrimination in respect of employment and occupation	2.3 Group policies 3.1 Sustainable Together 2030 3.3 Management systems and certifications 5.1 Guala Closures employees 5.2 Employee training and development 5.3 Diversity and inclusion	2-7; 2-8; 404-1; 405-1; 406-1
ENVIRONMENT		
Principle 7: Business should support a precautionary approach to environmental challanges	1.5 Stakeholder engagement and materiality analysis 2.3 Group policies 2.4 Analysis and management of risks and opportunities 3.1 Sustainable Together 2030 3.3 Management systems and certifications 4.1 Energy consumption 4.2 Greenhouse gas emissions 4.3 Waste 4.4 Water resources 4.6 Reforestation programs 6.2 Supply chain engagement	301-1; 301-2; 302-1; 302-2; 303-2; 303-3; 305-1; 305-2; 305-3; 305-4; 305-7; 306-1; 306-2; 306-3
Principle 8: undertake initiatives to promote greater environmental responsibility	2.3 Group policies 2.4 Analysis and management of risks and opportunities 3.1 Sustainable Together 2030 3.3 Management systems and certifications 4.1 Energy consumption 4.2 Greenhouse gas emissions 4.3 Waste	301-1; 301-2; 302-1; 302-2; 303-2; 303-3; 305-1; 305-2; 305-3; 305-4; 305-7; 306-1; 306-2; 306-3

UNGC PRINCIPLES	PARAGRAPHS	GRI INDICATOR
	4.4 Water resources 4.6 Reforestation programs 6.1 Ethics and transparency 6.2 Supply Chain Engagement	
Principle 9: encourage the development and diffusion of environmentally friendly technologies	3.1 Sustainable Together 2030 3.2 Innovation and eco-design 3.3 Management systems and certifications 4.1 Energy consumption 4.3 Waste 4.4 Water resources 6.2 Supply chain engagement	301-1; 301-2; 302-1; 302-2; 303-2; 303-3; 305-1; 305-2; 305-3; 305-4; 305-7; 306-1; 306-2; 306-3
FIGHT AGAINST CORRUPTION		
Principle 10: Business should work against corruption in all its forms, including extortion and bribery	2.3 Group policies 3.1 Sustainable Together 2030 6.1 Ethics and transparency 6.2 Supply chain engagement	2-23; 205-3

pwc

Independent auditor's report on the Sustainability Report 2023

To the Board of Directors Guala Closures SpA

We have undertaken a limited assurance engagement on the Sustainability Report of Guala Closures SpA and its subsidiaries (hereinafter the "Group" or "Guala Closures Group") for the year ended 31 December 2023 (hereinafter "Sustainability Report") and approved by the Board of Directors on 16 April 2024.

Responsibilities of the Directors for the Sustainability Report

The Directors of Guala Closures SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodological note" section of the Sustainability Report.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for defining the sustainability performance targets of Guala Closures Group, as well as for identifying its stakeholders and material topics to be reported on.

Auditor's Independence and Quality Management

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" (hereinafter also "ISAE 3000 Revised") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed were less in extent than those performed in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, mainly of personnel of Guala Closure SpA responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the process of definition of the material topics reported on in the Sustainability Report, with reference to the method applied in the analysis and understanding of the Group's environment, the identification and prioritisation of the actual and potential impacts, and the internal validation of the results of the process;
2. comparison of the financial information reported in the "6.4. Economic results" e "6.5. Approach to taxation" section of the Sustainability Report with the information included in the Group's annual consolidated financial statement;
3. understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we held meetings and interviews with the management personnel of Guala Closures SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, aggregation, processing and submission of non-financial information to the function responsible for the preparation of the Sustainability Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at corporate level,
    a. with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documentation to verify its consistency with available evidence;
    b. with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.
- for the following entities and sites, Guala Closures SpA (Spinetta plant), Guala Closures Mexico S.A. de C.V (San José Iturbide plant) and Guala Closures DGS Poland S.A. (Wloclawek plant), which we selected on the basis of their activities, their contribution to performance indicators at a consolidated level and their location, we met the persons in charge and obtained documentary evidence, on a sample basis, regarding the correct application of the procedures and calculation methods applied for the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Guala Closures Group for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Methodological note" section of the Sustainability Report.

Other Matters

The Sustainability Report for the year ended 31 December 2022, the information presented in which is used as comparative information in the Sustainability Report, was subject to limited assurance by another auditor, who expressed on it unqualified conclusions on 28 April 2023.

Turin, 26 April 2024

PricewaterhouseCoopers Business Services Srl

Signed by

Paolo Bersani
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.