ArdaghGroup

ARD Finance S.A. Interim Report

For the three months ended March 31, 2024

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Unaudited consolidated interim financial statements for the three months ended March 31, 2024

Management Report

SUMMARY INFORMATION

ARD Finance S.A. (the "Company") was incorporated under the laws of Luxembourg on May 6, 2011 and is a subsidiary of ARD Holdings S.A. The Company's registered office is 56, rue Charles Martel, L-2134 Luxembourg, Luxembourg.

The Company is a holding company whose assets as of March 31, 2024, consist mainly of its direct and indirect interest in the share capital of Ardagh Group S.A., a company incorporated and existing under the laws of Luxembourg, and certain related party receivables. The Company and those of its subsidiaries which are above Ardagh Group S.A. in the corporate structure are referred to as the "ARD Finance Group".

All of the business of the Company and its controlled subsidiaries (the "Group") is conducted by Ardagh Group S.A. ("Ardagh") and its subsidiaries (together, the "Ardagh Group"). The Ardagh Group and its subsidiaries are a leading supplier of sustainable innovative, value-added rigid packaging solutions, in Europe, Africa, North America and Brazil. The Ardagh Group's products include metal beverage cans and glass containers primarily for beverage and food markets, which are characterized by stable, consumer-driven demand. End-use categories include beer, food, hard seltzers, wine, spirits, carbonated soft drinks, energy drinks, juices and sparkling waters, as well as pharmaceuticals. Any description of the business of the Group is a description of the business of the Ardagh Group.

Ardagh indirectly holds approximately 76% of the ordinary shares and 100% of the preferred shares of Ardagh Metal Packaging S.A. ("AMPSA"). AMPSA is a leading supplier of metal beverage cans globally, with a particular focus on the Americas and Europe. This business supplies sustainable and infinitely recyclable metal packaging to a diversified customer base of leading global, regional and national beverage producers.

Ardagh also holds an approximate 42% stake in Trivium Packaging B.V. ("Trivium"), a leading supplier of metal packaging in the form of cans and aerosol containers, serving a broad range of end-use categories, principally including food, seafood, pet food and nutrition, as well as beauty and personal care.

All of the financing of the Group other than the USD 6.500% / 7.250% Senior Secured Toggle Notes due 2027, and the EUR 5.000% / 5.750% Senior Secured Toggle Notes due 2027 (together the "Toggle Notes", as described in Note 10 – Financial assets and liabilities) are liabilities of the Ardagh Group.

These unaudited consolidated interim financial statements reflect the consolidation of the legal entities forming the Group for the periods presented.

As used herein, "we", "our" and "us" refer to the Ardagh Group and its consolidated subsidiaries, unless the context requires otherwise. Ardagh's operations have the following operating businesses: "Ardagh Metal Packaging" and "Ardagh Glass Packaging".

SELECTED FINANCIAL INFORMATION

The following discussion should be read together with, and is qualified in its entirety by reference to, the unaudited consolidated interim financial statements for the three months ended March 31, 2024 (the "Unaudited Consolidated Interim Financial Statements") including the related notes thereto. As used in this section, the "Group" refers to ARD Finance S.A. and its subsidiaries.

Some of the measures used in this report are not measurements of financial performance under IFRS® Accounting Standards and should not be considered an alternative to cash flow from operating activities as a measure of liquidity or an alternative to operating profit/(loss) or profit/(loss) for the period as indicators of our operating performance or any other measures of performance derived in accordance with IFRS Accounting Standards.

The following table sets forth summary consolidated financial information for ARD Finance S.A..

	Three months ended March 31,	
	2024	**2023**
Income Statement Data	**(in $ millions except percentages)**	
Revenue	2,171	2,256
Adjusted EBITDA [(1)]	**254**	**339**
Depreciation and amortization	(222)	(201)
Exceptional operating items [(2)]	(15)	(32)
Net finance expense [(3)]	(160)	(164)
Share of post-tax loss in equity accounted joint venture [(4)]	(24)	(18)
Loss before tax	**(167)**	**(76)**
Income tax credit	9	8
Loss for the period	**(158)**	**(68)**
Other Data		
Adjusted EBITDA margin [(1)]	11.7%	15.0%
Net interest expense [(5)]	158	147
Maintenance capital expenditure [(6)]	96	120
Growth investment capital expenditure [(6)]	53	116

Balance Sheet Data	**At March 31, 2024**	**December 31, 2023**
	(in $ millions except ratios)	
Cash and cash equivalents and restricted cash [(7)]	698	732
Working capital [(8)]	902	393
Total assets	11,653	11,807
Total equity	(3,862)	(3,718)
Net borrowings [(9)]	12,292	11,912
Net debt [(10)]	11,658	11,264
Ratio of net debt to LTM Adjusted EBITDA [(1,10,11)]	9.6x	8.7x

All footnotes are listed on page 7 of this document.

Financial Performance Review

Three months ended March 31, 2024 compared with three months ended March 31, 2023

Segment results for the three months ended March 31, 2024 and 2023 are:

Revenue	**Ardagh Metal Packaging Europe**	**Ardagh Metal Packaging Americas**	**Ardagh Glass Packaging Europe & Africa**	**Ardagh Glass Packaging North America**	**Group**
	$'m	**$'m**	**$'m**	**$'m**	**$'m**
Revenue 2023	**486**	**645**	**691**	**434**	**2,256**
Movement	(22)	15	(48)	(48)	(103)
FX translation	17	—	1	—	18
Revenue 2024	**481**	**660**	**644**	**386**	**2,171**

Adjusted EBITDA	**Ardagh Metal Packaging Europe**	**Ardagh Metal Packaging Americas**	**Ardagh Glass Packaging Europe & Africa**	**Ardagh Glass Packaging North America**	**Group**
	$'m	**$'m**	**$'m**	**$'m**	**$'m**
Adjusted EBITDA 2023	**49**	**81**	**152**	**57**	**339**
Movement	(8)	10	(84)	(6)	(88)
FX translation	2	—	1	—	3
Adjusted EBITDA 2024	**43**	**91**	**69**	**51**	**254**
2024 margin %	**8.9%**	**13.8%**	**10.7%**	**13.2%**	**11.7%**
2023 margin %	**10.1%**	**12.6%**	**22.0%**	**13.1%**	**15.0%**

Revenue

Ardagh Metal Packaging Europe. Revenue decreased by $5 million, or 1%, to $481 million in the three months ended March 31, 2024, compared with $486 million in the same period last year. The decrease in revenue was principally due to the pass through of lower costs to customers, partly offset by favorable foreign currency translation effects of $17 million.

Ardagh Metal Packaging Americas. Revenue increased by $15 million, or 2%, to $660 million in the three months ended March 31, 2024, compared with $645 million in the same period last year. The increase in revenue principally reflected favorable volume/mix effects, partly offset by the pass through of lower input costs to customers.

Ardagh Glass Packaging Europe & Africa. Revenue decreased by $47 million, or 7%, to $644 million in the three months ended March 31, 2024, compared with $691 million in the same period last year. The decrease was principally due to pass through of lower input costs to customers, as well as slightly unfavorable volume/mix effects.

Ardagh Glass Packaging North America. Revenue decreased by $48 million, or 11%, to $386 million in the three months ended March 31, 2024, compared with $434 million in the same period last year. The decrease in revenue primarily reflected lower volume/mix, partly offset by the pass through of higher input costs.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA decreased by $6 million, or 12%, to $43 million in the three months ended March 31, 2024, compared with $49 million in the same period last year. The decrease was principally due to higher input and operating costs, partly offset by positive volume/mix and favorable foreign currency translation effects.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $10 million, or 12%, to $91 million in the three months ended March 31, 2024, compared with $81 million in the same period last year. The increase was primarily driven by favorable volume/mix effects, partly offset by higher operating costs.

Ardagh Glass Packaging Europe & Africa. Adjusted EBITDA decreased by $83 million, or 55%, to $69 million in the three months ended March 31, 2024, compared with $152 million in the same period last year. This decline was principally due to higher input and operating costs, and the impact of fixed cost under absorption as a result of lower production.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $6 million, or 11%, to $51 million in the three months ended March 31, 2024, compared with $57 million in the same period last year. This was principally driven by increased input costs, which more than offset lower operating costs and increased selling prices.

Footnotes to the Selected Financial Information

(1) Adjusted EBITDA consists of profit/(loss) for the period before income tax expense/(credit), net finance expense, depreciation and amortization, exceptional operating items and share of profit or loss in equity accounted joint venture. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Adjusted EBITDA and Adjusted EBITDA margin in a manner different from ours. Adjusted EBITDA and Adjusted EBITDA margin are not measurements of financial performance under IFRS Accounting Standards and should not be considered an alternative to profit/(loss) as indicators of operating performance or any other measures of performance derived in accordance with IFRS Accounting Standards.

(2) Exceptional operating items are shown on a number of different lines in the Consolidated Interim Income Statement as referred to in Note 5 - Exceptional items of the Unaudited Consolidated Interim Financial Statements.

(3) Includes exceptional finance income and expense.

(4) Includes exceptional share of post-tax loss in equity accounted joint venture.

(5) Net interest expense is as set out in Note 6 - Net finance expense to the Unaudited Consolidated Interim Financial Statements.

(6) Capital expenditure is the sum of purchase of property, plant and equipment and software and other intangibles, net of proceeds from disposal of property, plant and equipment, as per the Consolidated Interim Statement of Cash Flows.

(7) Cash and cash equivalents and restricted cash include short term bank deposits and restricted cash.

(8) Working capital is comprised of inventories, trade and other receivables, current related party receivables, current intangible assets, contract assets, current income tax receivable, trade and other payables and current provisions. Other companies may calculate working capital in a manner different to ours.

(9) Net borrowings comprise non-current and current borrowings net of deferred debt issue costs.

(10) Net debt is comprised of net borrowings and derivative financial instruments used to hedge foreign currency and interest rate risk, net of cash and cash equivalents and restricted cash.

(11) Net debt to LTM Adjusted EBITDA ratio at March 31, 2024 of 9.6x, is based on net debt at March 31, 2024 of $11,658 million and reported Adjusted EBITDA for the last twelve months ("LTM") to March 31, 2024 of $1,214 million.

Unaudited Consolidated Interim Financial Statements

ARD FINANCE S.A.
CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited Three months ended March 31, 2024			Unaudited Three months ended March 31, 2023		
	Note	Before exceptional items $'m	Exceptional items $'m	Total $'m	Before exceptional items $'m	Exceptional items $'m	Total $'m
			Note 5			Note 5	
Revenue	4	2,171	–	2,171	2,256	–	2,256
Cost of sales		(1,952)	(5)	(1,957)	(1,954)	(12)	(1,966)
Gross profit		**219**	**(5)**	**214**	**302**	**(12)**	**290**
Sales, general and administration expenses		(142)	(10)	(152)	(121)	(20)	(141)
Intangible amortization	7	(45)	–	(45)	(43)	–	(43)
Operating profit		**32**	**(15)**	**17**	**138**	**(32)**	**106**
Net finance expense	6	(161)	1	(160)	(166)	2	(164)
Share of post-tax loss in equity accounted joint venture	8	(17)	(7)	(24)	(15)	(3)	(18)
Loss before tax		**(146)**	**(21)**	**(167)**	**(43)**	**(33)**	**(76)**
Income tax credit		6	3	9	2	6	8
Loss for the period		**(140)**	**(18)**	**(158)**	**(41)**	**(27)**	**(68)**
Loss attributable to:							
Equity holders				(154)			(67)
Non-controlling interests	14			(4)			(1)
Loss for the period				**(158)**			**(68)**

The accompanying notes to the unaudited consolidated interim financial statements are an integral part of these unaudited consolidated interim financial statements.

ARD FINANCE S.A.
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Three months ended March 31,	
		2024	2023
	Note	$'m	$'m
Loss for the period		**(158)**	**(68)**
Other comprehensive income/(expense):			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
—Arising in the year		29	(39)
		29	**(39)**
Share of foreign currency translation adjustments in equity accounted joint venture*	8	**(4)**	**5**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		2	(85)
—Movement out of reserve to income statement		(23)	22
—Movement in deferred tax		1	10
		(20)	**(53)**
Share of changes in fair value of cash flow hedges in equity accounted joint venture*	8	**—**	**3**
Gain recognized on cost of hedging:			
—New fair value adjustments into reserve		—	2
		—	**2**
Items that will not be reclassified to income statement			
—Re-measurement of employee benefit obligations	11	15	(9)
—Deferred tax movement on employee benefit obligations		(4)	2
		11	**(7)**
Share of items that will not be reclassified to income statement in equity accounted joint venture*	8	**1**	**(1)**
Total other comprehensive income/(expense) for the period		**17**	**(90)**
Total comprehensive expense for the period		**(141)**	**(158)**
Attributable to:			
Equity holders		(135)	(155)
Non-controlling interests	14	(6)	(3)
Total comprehensive expense for the period		**(141)**	**(158)**

The accompanying notes to the unaudited consolidated interim financial statements are an integral part of these unaudited consolidated interim financial statements.

*Prior year amounts which had been aggregated as a single item have been separated out onto individual lines to show the share of the equity accounted joint venture in each reserve within other comprehensive income, to conform to the current year presentation.

ARD FINANCE S.A.
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Unaudited At March 31, 2024 $'m	Unaudited At December 31, 2023 $'m
Non-current assets			
Intangible assets	7	2,069	2,146
Property, plant and equipment	7	5,177	5,279
Derivative financial instruments		1	3
Deferred tax assets		160	159
Investment in equity accounted joint venture	8	217	250
Related party loan receivable	15	322	322
Employee benefit assets		19	22
Other non-current assets		99	101
		8,064	**8,282**
Current assets			
Inventories		1,544	1,526
Intangible assets*	7	37	4
Trade and other receivables*		926	871
Contract assets		269	259
Income tax receivable*		82	103
Derivative financial instruments		12	13
Cash, cash equivalents and restricted cash	10	698	732
Related party receivables	15	21	17
		3,589	**3,525**
TOTAL ASSETS		**11,653**	**11,807**
Equity attributable to owners of the parent			
Equity share capital	9	—	—
Other reserves		121	103
Retained earnings		(3,868)	(3,720)
		(3,747)	**(3,617)**
Non-controlling interests	14	(115)	(101)
TOTAL EQUITY		**(3,862)**	**(3,718)**
Non-current liabilities			
Borrowings	10	10,986	11,066
Lease obligations	10	608	632
Employee benefit obligations		365	394
Derivative financial instruments		147	162
Deferred tax liabilities		341	355
Provisions and other liabilities	12	112	116
		12,559	**12,725**
Current liabilities			
Borrowings	10	533	51
Lease obligations	10	165	163
Interest payable		153	52
Derivative financial instruments		44	54
Trade and other payables		1,881	2,278
Income tax payable		84	93
Provisions	12	96	109
		2,956	**2,800**
TOTAL LIABILITIES		**15,515**	**15,525**
TOTAL EQUITY and LIABILITIES		**11,653**	**11,807**

The accompanying notes to the unaudited consolidated interim financial statements are an integral part of these unaudited consolidated interim financial statements.

*Prior period amounts which had been included in Trade and other receivables previously have been reclassified to conform to the current period presentation.

ARD FINANCE S.A.
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Unaudited									
	Attributable to the owner of the parent									
	Share capital $'m	Capital contribution $'m	Foreign currency translation reserve $'m	Cash flow hedge reserve $'m	Cost of hedging reserve $'m	Other reserves $'m	Retained earnings $'m	Total $'m	Non-controlling interests $'m	Total equity $'m
At January 1, 2023	**–**	**10**	**95**	**24**	**4**	**137**	**(3,110)**	**(2,840)**	**(24)**	**(2,864)**
Loss for the period	–	–	–	–	–	–	(67)	**(67)**	(1)	**(68)**
Other comprehensive (expense)/income	–	–	(36)	(46)	2	–	(8)	**(88)**	(2)	**(90)**
Hedging losses transferred to cost of inventory	–	–	–	7	–	–	–	**7**	–	**7**
NOMOQ acquisition	–	–	–	–	–	(4)	–	**(4)**	5	**1**
Transactions with owners in their capacity as owners				–						
Share based payment reserve	–	–	–	–	–	1	–	**1**	–	**1**
Dividends by subsidiary to non-controlling interests (Note 14)	–	–	–	–	–	–	–	**–**	(14)	**(14)**
At March 31, 2023	**–**	**10**	**59**	**(15)**	**6**	**134**	**(3,185)**	**(2,991)**	**(36)**	**(3,027)**
At January 1, 2024	**–**	**10**	**18**	**(47)**	**7**	**115**	**(3,720)**	**(3,617)**	**(101)**	**(3,718)**
Loss for the period	–	–	–	–	–	–	(154)	**(154)**	(4)	**(158)**
Other comprehensive income/(expense)	–	–	26	(18)	–	–	11	**19**	(2)	**17**
Hedging losses transferred to cost of inventory	–	–	–	11	–	–	–	**11**	2	**13**
NOMOQ put and call liability (Note 7)						(1)		**(1)**	–	**(1)**
Transactions with owners in their capacity as owners										
Share purchases (Note 9)	–	–	–	–	–	–	(5)	**(5)**	4	**(1)**
Dividends by subsidiary to non-controlling interests (Note 14)	–	–	–	–	–	–	–	**–**	(14)	**(14)**
At March 31, 2024	**–**	**10**	**44**	**(54)**	**7**	**114**	**(3,868)**	**(3,747)**	**(115)**	**(3,862)**

The accompanying notes to the unaudited consolidated interim financial statements are an integral part of these unaudited consolidated interim financial statements.

ARD FINANCE S.A.
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	Unaudited Three months ended March 31, 2024 $'m	2023 $'m
Cash flows used in operating activities			
Cash used in operations	13	(246)	(188)
Net interest paid		(47)	(46)
Settlement of foreign currency derivative financial instruments		(1)	(23)
Income tax received/(paid)		1	(19)
Net cash used in operating activities		**(293)**	**(276)**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(153)	(234)
Purchase of intangible assets		(4)	(3)
Proceeds from disposal of property, plant and equipment		8	1
Drawdown of loan by immediate parent company	15	—	(2)
Other investing cash flows		(4)	(2)
Cash flows used in investing activities		**(153)**	**(240)**
Cash flows from financing activities			
Proceeds from borrowings		493	317
Repayment of borrowings		(12)	(289)
Deferred debt issue costs paid		(1)	(4)
Share purchases		(1)	—
Lease repayments	10	(49)	(36)
Dividends paid	14	(14)	(14)
Consideration received on maturity of derivative financial instruments		—	11
Net cash inflow/(outflow) from financing activities		**416**	**(15)**
Net decrease in cash and cash equivalents and restricted cash		**(30)**	**(531)**
Cash and cash equivalents and restricted cash at the beginning of the period	10	732	1,138
Exchange (losses)/gains on cash and cash equivalents and restricted cash		(4)	1
Cash and cash equivalents and restricted cash at the end of the period	10	**698**	**608**

The accompanying notes to the unaudited consolidated interim financial statements are an integral part of these unaudited consolidated interim financial statements.

Notes to the Unaudited Consolidated Interim Financial Statements

ARD FINANCE S.A.
NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

ARD Finance S.A. (the “Company”) was incorporated in Luxembourg on May 6, 2011. The Company’s registered office is 56, rue Charles Martel, L-2134 Luxembourg, Luxembourg.

The Company is a holding company whose assets as of March 31, 2024 consist mainly of its direct and indirect interest in the share capital of Ardagh Group S.A., a company incorporated and existing under the laws of Luxembourg, and certain related party receivables. The Company and those of its subsidiaries who are above Ardagh Group S.A. in the corporate structure are referred to as the “ARD Finance Group”.

All of the business of the Company and its controlled subsidiaries (the “Group”) is conducted by Ardagh Group S.A. (“Ardagh”) and its subsidiaries (together, the “Ardagh Group”). The Ardagh Group and its subsidiaries are a leading supplier of sustainable innovative, value-added rigid packaging solutions. The Ardagh Group’s products include metal beverage cans and glass containers primarily for beverage and food markets, which are characterized by stable, consumer driven demand. End-use categories include beer, food, hard seltzers, wine, spirits, carbonated soft drinks, energy drinks, juices and sparkling waters, as well as pharmaceuticals. The Group operates 62 production facilities globally, located in the Americas, Europe and Africa.

Ardagh, through its wholly-owned subsidiary, Ardagh Investments Holdings Sarl, owns approximately 76% of the ordinary shares and 100% of the preferred shares of AMPSA. AMPSA is a leading supplier of metal beverage cans globally, with a particular focus on the Americas and Europe. This business supplies sustainable and infinitely recyclable metal packaging to a diversified customer base of leading global, regional and national beverage producers. The Group’s metal packaging business operates 23 production facilities in Europe and the Americas, employs approximately 6,300 people and recorded revenues of $4.8 billion in 2023.

Ardagh also holds an approximate 42% stake in the ordinary shares of Trivium Packaging B.V. (“Trivium”), a leading supplier of metal packaging in the form of cans and aerosol containers, serving a broad range of end-use categories, principally including food, seafood, pet food and nutrition, as well as beauty and personal care. Trivium recorded revenues of $3.1 billion in 2023.

All of the financing of the Group other than the USD 6.500% / 7.250% Senior Secured Toggle Notes due 2027, and the EUR 5.000% / 5.750% Senior Secured Toggle Notes due 2027 (together the “Toggle Notes”, as described in Note 10 – Financial assets and liabilities) are liabilities of the Ardagh Group.

The Group does not have any operations within Russia or Ukraine and continues to monitor and comply with the various sanctions administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control, the European Union, the United Kingdom and the United Nations Security Committee that have been imposed on the Russian government and certain Russian entities and individuals.

These unaudited consolidated interim financial statements reflect the consolidation of the legal entities forming the Group for the periods presented.

The principal accounting policies that have been applied to the unaudited consolidated interim financial statements are described in Note 3 – Summary of material accounting policies.

2. Statement of directors’ approval

The unaudited consolidated interim financial statements were approved for issue by the board of directors of ARD Finance S.A. (the “Board”) on April 24, 2024.

3. Summary of material accounting policies

Basis of preparation

The unaudited consolidated interim financial statements of the Group for the three months ended March 31, 2024 and 2023, have been prepared in accordance with IAS 34 "Interim Financial Reporting". The unaudited consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Annual Report for the year ended December 31, 2023 which was prepared in accordance with IFRS Accounting Standards and related interpretations as issued by the International Accounting Standards Board ("IASB"). IFRS Accounting Standards are comprised of standards and interpretations approved by the IASB, and standards and interpretations and IFRS and interpretations approved by the predecessor International Accounting Standards Committee that have been subsequently approved by the IASB and remain in effect. References to IFRS Accounting Standards hereafter should be construed as references to IFRS Accounting Standards and related interpretations as issued by the IASB.

The unaudited consolidated interim financial statements are presented in U.S. dollar rounded to the nearest million. The functional currency of the Company is euro.

Income tax in interim periods is accrued using the effective tax rate expected to be applied to annual earnings.

The accounting policies, presentation and methods of computation followed in the unaudited consolidated interim financial statements are consistent with those applied in the Group's latest Annual Report.

Going concern

At the date that the interim consolidated financial statements were approved for issue by the Board, the Board has formed the judgment that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, these interim consolidated financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Board has taken into account all available information about a period, extending to at least, March 31, 2025. In arriving at its conclusion, the Board has taken account of the Group's current and anticipated trading performance, together with current and anticipated levels of cash and net debt and the availability of committed borrowing facilities and, as a result, it is the Board's judgment that it is appropriate to prepare the interim consolidated financial statements on a going concern basis.

Recently adopted accounting standards and changes in accounting policies

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2024, have been assessed by the Board. No new standards or amendments to existing standards effective January 1, 2024, have had a material impact for the Group.

Recent changes in accounting pronouncements

The Board continues to assess the disclosure requirements introduced by Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements, effective for annual reporting periods beginning on or after January 1, 2024.

The impact of other new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2024, have been assessed by the Board. None of these new standards or amendments to existing standards effective January 1, 2024, have had or are expected to have a material impact for the Group.

The Board's assessment of the impact of new standards, including the recently issued IFRS 18 "Presentation and Disclosure in Financial Statements", which are not yet effective and which have not been early adopted by the Group, on the consolidated interim financial statements is on-going.

4. Segment analysis

The Group's operating segments reflect the basis on which the Group's performance is reviewed by management and presented to the Board, which has been identified as the Chief Operating Decision Maker ("CODM") for the Group.

The Group aggregates the Ardagh Glass Packaging Europe and the Ardagh Glass Packaging Africa operating segments into the Ardagh Glass Packaging Europe & Africa reportable segment. The nature of the products and services, production processes as well as the type and class of customers and the method of distribution are essentially identical, with similar long-term financial and economic characteristics.

The following are the Group's four reportable segments:

- Ardagh Metal Packaging Europe
- Ardagh Metal Packaging Americas
- Ardagh Glass Packaging Europe & Africa
- Ardagh Glass Packaging North America

Performance of the business is assessed based on Adjusted EBITDA. Adjusted EBITDA is the profit or loss for the period before income tax charge or credit, net finance expense, depreciation and amortization, exceptional operating items and share of profit or loss in equity accounted joint venture. Other items are not allocated to segments, as these are reviewed by the CODM on a group-wide basis. Segmental revenues are derived from sales to external customers. Inter-segment revenue and revenue with joint ventures are not material.

Reconciliation of loss for the period to Adjusted EBITDA

	Three months ended March 31,	
	2024	**2023**
	$'m	**$'m**
Loss for the period	(158)	(68)
Income tax credit	(9)	(8)
Net finance expense (Note 6)	160	164
Depreciation and amortization (Note 7)	222	201
Exceptional operating items (Note 5)	15	32
Share of post-tax loss in equity accounted joint venture (Note 8)	24	18
Adjusted EBITDA	**254**	**339**

Segment results for the three months ended March 31, 2024 and 2023 are:

	Revenue		Adjusted EBITDA	
	2024	**2023**	**2024**	**2023**
	$'m	**$'m**	**$'m**	**$'m**
Ardagh Metal Packaging Europe	481	486	43	49
Ardagh Metal Packaging Americas	660	645	91	81
Ardagh Glass Packaging Europe & Africa	644	691	69	152
Ardagh Glass Packaging North America	386	434	51	57
Group	**2,171**	**2,256**	**254**	**339**

One customer across all reportable segments accounted for greater than 10% of total revenue in the three months ended March 31, 2024 (2023: one).

Within each reportable segment our respective packaging containers have similar production processes and classes of customers. Further, they have similar economic characteristics, as evidenced by similar long-term profit margins, similar degrees of risk and similar opportunities for growth. Based on the foregoing, we do not consider that they constitute separate product lines and, therefore, additional disclosures relating to product lines are not necessary.

The following illustrates the disaggregation of revenue by destination for the three months ended March 31, 2024:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	474	1	6	481
Ardagh Metal Packaging Americas	–	553	107	660
Ardagh Glass Packaging Europe & Africa	465	7	172	644
Ardagh Glass Packaging North America	–	386	–	386
Group	**939**	**947**	**285**	**2,171**

The following illustrates the disaggregation of revenue by destination for the three months ended March 31, 2023:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	478	7	1	486
Ardagh Metal Packaging Americas	–	542	103	645
Ardagh Glass Packaging Europe & Africa	500	11	180	691
Ardagh Glass Packaging North America	–	434	–	434
Group	**978**	**994**	**284**	**2,256**

The following illustrates the disaggregation of revenue based on the timing of transfer of goods and services:

	Three months ended March 31,	
	2024	**2023**
	$'m	**$'m**
Over time	916	912
Point in time	1,255	1,344
Group	**2,171**	**2,256**

5. Exceptional items

	Three months ended March 31,	
	2024	2023
	$'m	$'m
Start-up related and other costs	11	12
Gain on disposal of non-current assets	(6)	—
Exceptional items - cost of sales	**5**	**12**
Transaction-related and other costs	5	17
Restructuring and other costs	2	—
IT & other transformation initiatives	3	3
Exceptional items - SGA expenses	**10**	**20**
Gains on warrants revaluation	(1)	(2)
Exceptional items - finance income	**(1)**	**(2)**
Share of exceptional items in equity accounted joint venture	7	3
Exceptional items	**21**	**33**
Exceptional income tax credit	(3)	(6)
Total exceptional charge, net of tax	**18**	**27**

Exceptional items are those that, in management's judgment, need to be disclosed by virtue of their size, nature or incidence.

2024

Exceptional items of $18 million have been recognized in the three months ended March 31, 2024, comprising:

- $11 million start-up related and other costs, which included Ardagh Metal Packaging Americas ($4 million) and Ardagh Metal Packaging Europe ($4 million), primarily relating to the Group's investment programs; $2 million of costs in Ardagh Glass Packaging North America related to fire and storm damage during the quarter and $1 million of other costs in Ardagh Glass Packaging Europe & Africa.
- $6 million gain in Ardagh Glass Packaging North America related to the disposal of a former production facility.
- $5 million of transaction-related and other costs, including $3 million of costs in Ardagh Glass Packaging North America, primarily in respect of trade matters, and $2 million of professional advisory fees and other costs primarily in relation to transformation initiatives in Ardagh Metal Packaging.
- $2 million relating to restructuring and other costs, including $1 million in Ardagh Metal Packaging Europe and $1 million in Ardagh Glass Packaging North America.
- $3 million relating to IT and other transformation initiatives.
- $1 million credit primarily related to Public and Private Warrants.
- $7 million being the Group's share of exceptional items in Trivium.
- $3 million tax credits relating to the above exceptional items.

2023

Exceptional items of $27 million have been recognized in the three months ended March 31, 2023, comprising:

- $12 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($7 million) and Ardagh Metal Packaging Europe ($3 million), relating to the Group's investment programs and $2 million other costs in Ardagh Glass Packaging North America, as a result of unexpected downtime due to power supply interruption.
- $17 million transaction-related and other costs, of which $7 million related to a Pension Annuity Risk Transfer (PART) transaction executed in Ardagh Glass Packaging North America. A further $1 million of costs related to acquisition, other transaction costs, including professional advisory fees, and other costs in Ardagh Glass Packaging Europe, $6 million arose in a legal settlement in respect of a contract manufacturing agreement arising from the Group's acquisition of the beverage can business, $2 million related to professional advisory fees incurred in connection with transformation initiatives and $1 million of foreign currency translation losses relating to the exceptional cost of hedging activities in Ardagh Metal Packaging Americas.

- $3 million relating to IT and other transformation initiatives.
- $2 million credit primarily related to fair value and foreign currency gains on Public and Private Warrants.
- $3 million being the Group's share of exceptional items in the Trivium joint venture.
- $6 million tax credits relating to the above exceptional items.

6. Net finance expense

	Three months ended March 31,	
	2024	2023
	$'m	$'m
Bond and Senior Facilities interest expense*	132	132
Lease interest expense**	13	11
Other interest expense	18	9
Related Party interest income	(5)	(5)
Net interest expense	**158**	**147**
Net pension interest cost	3	4
Foreign currency translation loss	1	14
Loss on derivative financial instruments	5	9
Net monetary gain - hyperinflation	(1)	(2)
Other finance income	(5)	(6)
Net finance expense before exceptional items	**161**	**166**
Net exceptional finance income (Note 5)	(1)	(2)
Net finance expense	**160**	**164**

*Includes interest related to Senior Secured Toggle Notes, Senior Secured, Senior Secured Green, Senior, Senior Green Notes, and Senior Facilities.

**Prior year lease interest expense and other interest expense amounts which had been aggregated as a single item have been separated out onto individual lines, to conform to the current year presentation.

7. Intangible assets and property, plant and equipment

	Intangible assets*	Property, plant and equipment
	$'m	$'m
Net book value at January 1, 2024	**2,146**	**5,279**
Additions	4	130
Disposals	—	(1)
Hyperinflation	—	2
Charge for the period	(45)	(177)
Foreign exchange	(36)	(56)
Net book value at March 31, 2024	**2,069**	**5,177**

*In addition to the above, $37 million relating to carbon credits are included within current intangible assets (December 31, 2023: $4 million).

In February 2023, the Group completed the acquisition of a majority share in NOMOQ AG ("NOMOQ"), a startup digital can printer based in Zurich, Switzerland, for an initial consideration of €15 million, with a further €10 million payable in 2024, subject to NOMOQ achieving certain milestones. Net of €15 million cash acquired; the transaction did not result in a cash outflow for the Group. These unaudited consolidated financial statements include management's completed allocation of the fair values of assets acquired and liabilities assumed.

At March 31, 2024, the carrying amount of goodwill included within intangible assets was $1,386 million (December 31, 2023: $1,407 million).

At March 31, 2024, the carrying amount of the right-of-use assets included within property, plant and equipment was $748 million (December 31, 2023: $770 million).

The Group recognized a depreciation charge of $177 million in the three months ended March 31, 2024 (2023: $158 million), of which $49 million (2023: $37 million) relates to right-of-use assets.

Impairment test for goodwill

Goodwill is not subject to amortization and is tested annually for impairment following the approval of the annual budget (normally at the end of the financial year), or more frequently if events or changes in circumstances indicate a potential impairment.

Management has considered whether any impairment indicators existed at the reporting date and has concluded that the carrying amount of goodwill is fully recoverable as at March 31, 2024.

8. Investment in equity accounted joint venture

Investment in equity accounted joint venture is comprised of the Company's approximate 42% stake in Trivium incorporated in the Netherlands, with corporate offices in Amsterdam. The remaining approximate 58% is held by Ontario Teachers' Pension Plan Board. As the Company jointly controls both the financial and operating policy decisions of Trivium, the investment is accounted for under the equity method. The shareholders of Trivium have entered into a Shareholder Agreement, dated October 31, 2019, which governs their relationship as owners, including in respect of the governance of Trivium and its subsidiaries, their ability to transfer their shares and other customary matters.

The following tables provide summarized financial information for Trivium as it relates to the amounts recognized by Ardagh in the consolidated interim income statement, consolidated interim statement of comprehensive income and consolidated interim statement of financial position.

	Three months ended March 31,	
	2024	**2023**
	$'m	**$'m**
Loss for the period	(24)	(18)
Other comprehensive (expense)/income	(3)	7
Total comprehensive expense	**(27)**	**(11)**

	At March 31,	At December 31,
	2024	**2023**
	$'m	**$'m**
Investment in equity accounted joint venture	217	250

The reconciliation of summarized financial information presented to the carrying amount of the Group's interest in Trivium at March 31, 2024 and 2023 respectively is set out below.

	2024	**2023**
	$'m	**$'m**
Group's interest in net assets of equity accounted joint venture at January 1	250	292
Share of total comprehensive expense	(27)	(11)
Foreign exchange	(6)	5
Carrying amount of interest in equity accounted joint venture at March 31	**217**	**286**

In respect of the Group's equity accounted investment in Trivium, management has considered the carrying amount of the investment and concluded that it is fully recoverable as at March 31, 2024.

At March 31, 2024 and December 31, 2023, the Group had no significant related party balances outstanding with Trivium.

9. Equity share capital

Issued and fully paid shares:

	Number of shares (million)	$'m
Ordinary shares (par value €0.01)	10.3	–
At March 31, 2024 and December 31, 2023	**10.3**	**–**

There were no material share transactions in the three months ended March 31, 2024.

During the three months ended March 31, 2024, the Company acquired a number of shares from external shareholders of Ardagh Group S.A.. The combined impact of the transactions resulted in a reduction in the total equity of $1 million (March 31, 2023: $nil).

10. Financial assets and liabilities

At March 31, 2024, the Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn				Undrawn amount
		Local Currency m			ARD Finance Group* $'m	Restricted Group ** $'m	Unrestricted Group *** $'m	Total Group $'m	$'m
6.500% / 7.250% Senior Secured Toggle Notes	USD	895	30-Jun-27	Bullet	895	–	–	895	–
5.000% / 5.750% Senior Secured Toggle Notes	EUR	796	30-Jun-27	Bullet	861	–	–	861	–
5.250% Senior Secured Notes	USD	700	30-Apr-25	Bullet	–	700	–	700	–
4.125% Senior Secured Notes	USD	1,215	15-Aug-26	Bullet	–	1,215	–	1,215	–
2.125% Senior Secured Notes	EUR	439	15-Aug-26	Bullet	–	475	–	475	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	–	854	–	854	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	–	506	–	506	–
5.250% Senior Notes	USD	800	15-Aug-27	Bullet	–	800	–	800	–
5.250% Senior Notes	USD	1,000	15-Aug-27	Bullet	–	1,000	–	1,000	–
South African Rand Senior Facilities	ZAR	8,500	01-Mar-28	Bullet	–	426	–	426	21
Global Asset Based Loan Facility - Restricted Group	USD	347	30-Mar-27	Revolving	–	274	–	274	73
Lease obligations	Various	–	Various	Amortizing	–	375	398	773	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	39	46	85	7
6.000% Senior Secured Green Notes	USD	600	15-Jun-27	Bullet	–	–	600	600	–
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	–	–	486	486	–
3.250% Senior Secured Green Notes	USD	600	01-Sep-28	Bullet	–	–	600	600	–
3.000% Senior Green Notes	EUR	500	01-Sep-29	Bullet	–	–	541	541	–
4.000% Senior Green Notes	USD	1,050	01-Sep-29	Bullet	–	–	1,050	1,050	–
Global Asset Based Loan Facility - Unrestricted Group	USD	387	06-Aug-26	Revolving	–	–	213	213	174
Total borrowings / undrawn facilities					**1,756**	**6,664**	**3,934**	**12,354**	**275**
Deferred debt issue costs and bond discounts/bond premium					(6)	(29)	(27)	(62)	–
Net borrowings / undrawn facilities					**1,750**	**6,635**	**3,907**	**12,292**	**275**
Cash, cash equivalents and restricted cash					(3)	(540)	(155)	(698)	698
Derivative financial instruments used to hedge foreign currency and interest rate risk					–	45	19	64	–
Net debt / available liquidity					**1,747**	**6,140**	**3,771**	**11,658**	**973**

*ARD Finance Group refers to the Company and those of its subsidiaries who are above Ardagh Group S.A. in the corporate structure, excluding the Restricted Group and the Unrestricted Group.
**Restricted Group refers to Ardagh Group excluding the Unrestricted Group.
***Unrestricted Group refers to Ardagh Metal Packaging S.A. and its subsidiaries as referred to in Note 1 - General information.

Net debt includes the fair value of derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to Group borrowings.

The fair value of the ARD Finance Group and the Restricted Group’s total borrowings excluding lease obligations at March 31, 2024, is $5,608 million (December 31, 2023: $6,068 million). The fair value of the Unrestricted Group’s total borrowings excluding lease obligations at March 31, 2024, is $3,029 million (December 31, 2023: $2,939 million).

A number of the Group’s borrowing agreements contain covenants that restrict the Group’s flexibility in certain areas, such as incurrence of additional indebtedness (primarily maximum secured borrowings to Adjusted EBITDA and a minimum Adjusted EBITDA to interest expense), payment of dividends and incurrence of liens.

The Global Asset Based Loan Facilities are subject to a fixed charge coverage ratio covenant if 90% or more of the facility is drawn. The facilities also include cash dominion, representations, warranties, events of default and other covenants that are generally of a customary nature for such facilities. Borrowing facilities in Africa also contain customary maintenance covenants, primarily net debt to EBITDA and interest coverage tests.

At December 31, 2023, the Group’s net debt and available liquidity was as follows:

Facility	**Currency**	**Maximum amount drawable**	**Final maturity date**	**Facility type**	**Amount drawn**				**Undrawn amount**
		Local Currency m			**ARD Finance Group* $'m**	**Restricted Group** $'m**	**Unrestricted Group*** $'m**	**Total Group $'m**	**$'m**
6.500% / 7.250% Senior Secured Toggle Notes	USD	895	30-Jun-27	Bullet	895	–	–	895	–
5.000% / 5.750% Senior Secured Toggle Notes	EUR	796	30-Jun-27	Bullet	880	–	–	880	–
5.250% Senior Secured Notes	USD	700	30-Apr-25	Bullet	–	700	–	700	–
4.125% Senior Secured Notes	USD	1,215	15-Aug-26	Bullet	–	1,215	–	1,215	–
2.125% Senior Secured Notes	EUR	439	15-Aug-26	Bullet	–	485	–	485	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	–	873	–	873	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	–	509	–	509	–
5.250% Senior Notes	USD	800	15-Aug-27	Bullet	–	800	–	800	–
5.250% Senior Notes	USD	1,000	15-Aug-27	Bullet	–	1,000	–	1,000	–
South African Rand Senior Facilities	ZAR	8,500	01-Mar-28	Bullet	–	440	–	440	22
Global Asset Based Loan Facility - Restricted Group	USD	381	30-Mar-27	Revolving	–	–	–	–	381
Lease obligations	Various	–	Various	Amortizing	–	387	408	795	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	36	54	90	12
6.000% Senior Secured Green Notes	USD	600	15-Jun-27	Bullet	–	–	600	600	
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	–	–	497	497	–
3.250% Senior Secured Green Notes	USD	600	01-Sep-28	Bullet	–	–	600	600	–
3.000% Senior Green Notes	EUR	500	01-Sep-29	Bullet	–	–	553	553	–
4.000% Senior Green Notes	USD	1,050	01-Sep-29	Bullet	–	–	1,050	1,050	–
Global Asset Based Loan Facility - Unrestricted Group	USD	369	06-Aug-26	Revolving	–	–	–	–	369
Total borrowings / undrawn facilities					**1,775**	**6,445**	**3,762**	**11,982**	**784**
Deferred debt issue costs and bond discounts/bond premium					(6)	(36)	(28)	(70)	–
Net borrowings / undrawn facilities					**1,769**	**6,409**	**3,734**	**11,912**	**784**
Cash, cash equivalents and restricted cash					(2)	(287)	(443)	(732)	732
Derivative financial instruments used to hedge foreign currency and interest rate risk					–	63	21	84	–
Net debt / available liquidity					**1,767**	**6,185**	**3,312**	**11,264**	**1,516**

*ARD Finance Group refers to the Company and those of its subsidiaries who are above Ardagh Group S.A. in the corporate structure, excluding the Restricted Group and the Unrestricted Group.

**Restricted Group refers to Ardagh Group excluding the Unrestricted Group.

*** Unrestricted Group refers to Ardagh Metal Packaging S.A. and its subsidiaries as referred to in Note 1 - General information.

The maturity profile of the Group's net borrowings is as follows:

	At March 31, 2024 $'m	At December 31, 2023 $'m
Between three and five years	1,756	1,775
ARD Finance Group total borrowings	**1,756**	**1,775**
Within one year or on demand	393	120
Between one and three years	3,355	3,383
Between three and five years	2,802	2,822
Greater than five years	114	120
Restricted Group total borrowings	**6,664**	**6,445**
Within one year or on demand	305	94
Between one and three years	171	175
Between three and five years	1,775	1,791
Greater than five years	1,683	1,702
Unrestricted Group total borrowings	**3,934**	**3,762**
Total borrowings	**12,354**	**11,982**
Deferred debt issue costs and bond discounts/bond premium	(62)	(70)
Net Borrowings	**12,292**	**11,912**

Warrants

Please refer to Note 12 – Other liabilities and provisions for further details about the recognition and measurement of the Public and Private Warrants.

Financing activity

Lease obligations at March 31, 2024 of $773 million (December 31, 2023: $795 million), primarily reflects $27 million of new lease liabilities and foreign currency movements, offset by $49 million of repayments, in the three months ended March 31, 2024.

At March 31, 2024 the Group had $487 million cash drawings on the Global Asset Based Loan Facilities (December 31, 2023: nil), which have a maximum cash capacity available to draw down of $850 million, when sufficient working capital is available to fully collateralize the facilities. In line with the seasonality of the Group's business, working capital collateralization limited the available borrowing base to $734 million (December 2023: $750 million) at March, 31, 2024.

Forward foreign exchange contracts

The Group operates in a number of currencies and, accordingly, hedges a portion of its currency transaction risk. Certain forward contracts are designated as cash flow hedges for accounting purposes.

The fair values are based on Level 2 valuation techniques and observable inputs including the contract prices. The fair value of these contracts when initiated is $nil; no premium is paid or received.

Cross currency interest rate swaps

The Group hedges certain of its external borrowings and interest payable thereon using cross-currency interest rate swaps ("CCIRS"), with a net liability position at March 31, 2024 of $64 million (December 31, 2023: $84 million net liability).

Virtual Power Purchase Agreement

As part of our strategy to achieve our climate sustainability targets, the Group entered into a virtual power purchase agreement ("vPPA") in June 2023. The renewable energy generation facility underlying this agreement is managed by the facility operator. The Group has no rights of determination or control over the use of the facilities. The benefits accruing from the vPPA come in the form of two components: a monthly financial flow from the Group to the facility developer if the respective spot electricity price falls below an agreed floor price, and certificates that the Group receives as proof of origin for electricity from renewable energies. The Group accounts for the entire vPPA at fair value within non-current derivative financial instruments. The floor price option valuation applies a Black Scholes model, using key data input for the risk-free rate (2.4%), with an estimate for volatility (45%). The estimated fair market value at March 31, 2024 was a $2 million liability (December 2023: $2 million asset). Changes in the valuation of the vPPA of $4 million have been reflected within net finance expense for the three months ended March 31, 2024 (March 31, 2023: nil). An increase or decrease in volatility of 5% would result in an increase or decrease in the fair market value as at March 31, 2024, of approximately $2 million.

Fair value methodology

There has been no change to the fair value hierarchies for determining and disclosing the fair value of financial instruments.

Fair values are calculated as follows:

(i) Senior Secured Toggle Notes, Senior Secured Green Notes, Senior Secured Notes, Senior Notes and Senior Green Notes – the fair value of debt securities in issue is based on valuation techniques in which all significant inputs are based on observable market data and represent Level 2 inputs.
(ii) Global Asset Based Loan Facilities and other borrowings – the fair values of the borrowings in issue is based on valuation techniques in which all significant inputs are based on observable market data and represent Level 2 inputs.
(iii) CCIRS – the fair values of the CCIRS are based on quoted market prices and represent Level 2 inputs.
(iv) Commodity and foreign exchange derivatives – the fair values of these derivatives are based on quoted market prices and represent Level 2 inputs.
(v) Private and Public Warrants - the fair value of the Private Warrants is based on a valuation technique using an unobservable volatility assumption which represents a Level 3 input, whereas the fair value of the Public Warrants is based on an observable market price and represents a Level 1 input.
(vi) Virtual power purchase agreement – the fair value of the embedded derivative (floor price) in the virtual power purchase agreement is based on a valuation technique using an unobservable volatility assumption which represents a Level 3 input.

11. Employee benefit obligations

Employee benefit obligations at March 31, 2024 have been re-measured in respect of the latest discount rates, inflation rates and asset valuations. A net re-measurement gain of $15 million (2023: loss of $9 million) has been recognized in the unaudited consolidated interim statement of comprehensive income for the three months ended March 31, 2024.

The re-measurement gain of $15 million recognized for the three months ended March 31, 2024 consisted of a decrease in obligations of $26 million (2023: increase of $42 million), partly offset by a decrease in asset valuations of $11 million (2023: increase of $33 million).

12. Other liabilities and provisions

	At March 31, 2024 $'m	At December 31, 2023 $'m
Provisions		
Current	96	109
Non-current	102	106
Other liabilities		
Non-current	10	10
	208	**225**

Other Liabilities

Warrants

AMPSA warrants are exercisable for the purchase of ordinary shares in AMPSA at an exercise price of $11.50 over a five-year period. In accordance with IAS 32, those warrants have been recognized as a financial liability measured at fair value in the consolidated interim financial statements. For certain warrants issued to the former sponsors of Gores Holdings V, Inc., ("Private Warrants") a valuation was performed for the purpose of determining the financial liability. The valuation applied a Black Scholes model, using a key data input for the risk-free rate (4.43%), (December 31, 2023: risk-free rate 4%), with estimates for volatility (45%) (December 31, 2023: volatility 49%) and dividend yield. All other outstanding warrants ("Public Warrants") were valued using the traded closing prices of the AMPSA warrants. The estimated valuations of the liability at March 31, 2024, and December 31, 2023, were $1 million and $2 million, respectively. Changes in the valuation of the Public and Private Warrants of $1 million have been reflected as exceptional finance income within net finance expense for the three months ended March 31, 2024 (March 31, 2023: $3 million). Any increase or decrease in volatility of 5% would not result in a significant change in the fair value of the Private Warrants at March 31, 2024 (December 31, 2023: $nil).

Put and call arrangements

In conjunction with the NOMOQ acquisition (Note 7 - Intangible assets and property, plant and equipment), the Group has entered into put and call option arrangements for the acquisition of the outstanding non-controlling interest ("NCI"), part of which are treated as a compensation arrangement for accounting purposes, and could result in future payments to the holders of such NCI, depending on the future performance of NOMOQ. The Group has recognized the fair value of the obligation at March 31, 2024 of $9 million (December 31, 2023: $8 million) within other liabilities and provisions

13. Cash used in operating activities

	Three months ended March 31, 2024 $'m	Three months ended March 31, 2023 $'m
Loss from operations	**(158)**	**(68)**
Income tax credit	(9)	(8)
Net finance expense	160	164
Depreciation and amortization	222	201
Exceptional operating items	15	32
Share of post-tax loss in equity accounted joint venture	24	18
Movement in working capital	(458)	(505)
Transaction-related, start-up and other exceptional costs paid	(42)	(22)
Cash used in operations	**(246)**	**(188)**

14. Non-controlling interests

Non-controlling interests principally represent approximately 24% of the total equity in the Group's subsidiary AMPSA as at March 31, 2024 (December 31, 2023: 24%). Other non-controlling interests include those related to the acquisition of NOMOQ (Note 7 – Intangible assets and property, plant and equipment) and other external shareholders of the Company. The total equity attributable to non-controlling interests at March 31, 2024 is a deficit of $115 million (December 31, 2023: deficit of $101 million). Dividends of $14 million were paid to non-controlling interests during the three months ended March 31, 2024 (2023: $14 million).

Summarized financial information for AMPSA, as at the date these unaudited consolidated interim financial statements were authorized for issue, is set out below:

	Three months ended March 31,	
	2024	2023
	$'m	$'m
Loss for the period	(12)	(1)
Cash flows used in operating activities	(338)	(257)

	At March 31,	At December 31,
	2024	2023
	$'m	$'m
Current assets	1,308	1,505
Non-current assets	4,069	4,164
Current liabilities	(1,384)	(1,522)
Non-current liabilities	(3,964)	(4,041)
Net assets	**29**	**106**

15. Related party transactions

At March 31, 2024, the Group had a related party loan receivable balance of $322 million (December 31, 2023: $322 million) and an interest receivable balance of $16 million (December 31, 2023: $10 million) with ARD Securities Finance Sarl.

At March 31, 2024, the Group had a related party loan receivable of $3 million (December 31, 2023: $4 million receivable) with ARD Holdings S.A..

At March 31, 2024, the Group had a $4 million (December 31, 2023: $4 million) investment in a venture capital fund (the "Fund") established to invest in high-growth beverage and food brands, where a family member of a director of the Company owns a significant interest in the Fund's general partner and investment manager.

Details of related party transactions in respect of the year ended December 31, 2023 are contained in Note 26 to the consolidated financial statements in the Group's Annual Report for the year ended December 31, 2023. There were no other significant related party transactions in the three months ended March 31, 2024.

16. Contingencies

Environmental issues

The Group is regulated under various national and local environmental, occupational health and safety and other governmental laws and regulations relating to:

- the operation of installations for manufacturing of container glass;
- the operation of installations for manufacturing of metal packaging and surface treatment using solvents;
- the generation, storage, handling, use and transportation of hazardous materials;
- the emission of substances and physical agents into the environment;
- the discharge of waste water and disposal of waste;
- the remediation of contamination;
- the design, characteristics, collection and recycling of its packaging products; and
- the manufacturing, sale and servicing of machinery and equipment for the container glass and metal packaging industry.

The Group believes, based on current information, that it is in substantial compliance with applicable environmental laws and regulations and permit requirements. It does not believe it will be required, under existing or anticipated future environmental laws and regulations, to expend amounts, over and above the amounts accrued, which will have a material effect on its business, financial condition or results of operations or cash flows. In addition, no material proceedings against the Group arising under environmental laws are pending. Finally, the Group believes that the potential impact of climate change on the Group has not resulted in a contingent obligation as of March 31, 2024.

Legal matters

The Group is involved in certain legal proceedings arising in the normal course of its business. The Group believes that none of these proceedings, either individually or in aggregate, are expected to have a material adverse effect on its business, financial condition, results of operations or cash flows.

17. Seasonality of operations

The Group's revenue and cash flows are both subject to seasonal fluctuations, with the Group generally building inventories in anticipation of these seasonal demands resulting in working capital requirements typically being the greatest at the end of the first quarter of the year.

The demand for our metal beverage products is strongest during spells of warm weather and therefore demand typically peaks during the summer months, as well as in the period leading up to holidays in December. Demand for beverage products within our Glass Packaging business is similarly strongest during the summer and during periods of warm weather, as well as during the period leading up to holidays in December.

The Group manages the seasonality of working capital principally by supplementing operating cash flows with drawings under our Global Asset Based Loan Facilities.

18. Events after the reporting period

On April 23, 2024, the AMPSA Board approved an interim dividend of $0.10 per ordinary share. The interim dividend will be paid on June 26, 2024 to shareholders of record on June 12, 2024.

On April 09, 2024, the AGSA Board approved a special dividend of $0.49 per common share. The special dividend will be paid on April 30, 2024 to shareholders of record on April 20, 2024.

On April 15, 2024, Ardagh Investments Holdings Sarl ("AIHS"), an unrestricted subsidiary of Ardagh Group S.A. executed definitive documentation for a new senior secured credit facility with certain investment funds and other entities managed by affiliates of Apollo Capital Management, L.P. (collectively, the "Apollo Investors"). The new facility consists of: (i) an initial €790 million senior secured term loan ("Initial Term Loan"); (ii) a $250 million (equivalent) senior secured exchange term loan (the "Exchange Loan"); and additional senior secured term loans in an amount sufficient to fund a debt service reserve account at AIHS (collectively, the "Facilities"). The Facilities are secured on all material assets of AIHS, including a pledge on equity interests of AIHS in Ardagh Metal Packaging S.A. The Facilities will mature in 2029.

AIHS intends to on-lend approximately €755 million of the proceeds of the Initial Term Loan to Ardagh Packaging Finance plc and Ardagh Holdings USA Inc. (the "Existing Issuers") by subscribing to new Senior Secured Notes due 2029 (the "Proceeds Notes") to be issued by the Existing Issuers, which will be used to redeem in full, the $700 million Senior Secured Notes due 2025 (the "2025 Senior Secured Notes") issued by the Existing Issuers.

AIHS is permitted, at its option, to issue Exchange Loans for Senior Secured Toggle Notes due 2027 (the "PIK Notes") issued by ARD Finance S.A. or senior unsecured notes issued by the Existing Issuers (the "Senior Unsecured Notes") that are held or acquired by one or more Apollo Investors. Each Exchange Loan will be issued in a principal amount equal to the purchase price paid by the Apollo Investors for the exchanged PIK Notes and/or the Senior Unsecured Notes, as applicable, plus an agreed premium.

The Facilities and the Proceeds Notes are each on customary terms for third-party indebtedness and preserve the flexibility for Ardagh in the currently outstanding debt of the Existing Issuers, including the ability to make investments and to incur debt, other than restricting Ardagh's ability to pay dividends and other distributions, which will prevent ARD Finance S.A. from paying cash interest on the PIK Notes for all interest periods after June 30, 2024.

The Facilities are expected to be drawn down in the second quarter of 2024. Following the redemption of the 2025 Senior Secured Notes, Ardagh will have no bond maturities arising before August 2026.