ArdaghGroup

ARD Finance S.A. Interim Report

For the three months ended March 31, 2022

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Unaudited consolidated interim financial statements for the three months ended March 31, 2022

Management Report

PRELIMINARY INFORMATION

ARD Finance S.A. (the “Company”) was incorporated in 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, 2022 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.

All of the business of the group of companies controlled by the Company (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, the Americas and Africa. The Ardagh Group’s products include metal beverage cans and glass containers primarily for beverage and food markets. End-use categories include beer, wine, spirits, carbonated soft drinks, energy drinks, juices and water, as well as food and pharmaceuticals.

Ardagh holds a 75.3% share in Ardagh Metal Packaging S.A. (“AMPSA”), AMPSA is a leading supplier of beverage cans globally, with a particular focus on the Americas and Europe.

Ardagh also holds a stake of approximately 42% 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.

Any description of the business of the Group is a description of the business of the Ardagh Group.

All of the financing of the Group other than the $895 million 6.500%/7.250% Senior Secured Toggle Notes due 2027, and the €796 million 5.000%/5.750% Senior Secured Toggle Notes due 2027 (together the “Toggle Notes”, as described in Note 10) are liabilities of the Ardagh Group. 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”.

The 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.

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, 2022, including the related notes thereto.

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

	Three months ended March 31,	
	2022	**2021**
Income Statement Data	**(in $ millions except ratios and percentages)**	
Revenue	2,048	1,774
Adjusted EBITDA [1]	**238**	**300**
Depreciation and amortization	(189)	(183)
Exceptional items [2]	(35)	(8)
Net finance expense [3]	(54)	(102)
Share of post-tax profit/(loss) in equity accounted joint venture	16	(18)
Loss before tax	**(24)**	**(11)**
Income tax credit/(charge)	2	(14)
Loss for the year	**(22)**	**(25)**
Other Data		
Adjusted EBITDA margin [1]	11.6%	16.9%
Net Interest expense [8]	115	105
Maintenance capital expenditure [9]	110	85
Growth investment capital expenditure [9]	112	162

	At March 31,	**At December 31,**
Balance Sheet Data	**2022**	**2021**
	(in $ millions, except ratios)	
Cash and cash equivalents [4]	1,768	2,906
Restricted cash and cash equivalents [4]	7	143
Total assets	11,560	12,367
Total equity	(2,345)	(2,416)
Net borrowings [5]	10,515	10,960
Net debt [6]	8,731	7,909
Ratio of net debt to Adjusted EBITDA [1,6,7]	7.4x	6.4x

All footnotes are on page 8 of this document.

OPERATING AND FINANCIAL REVIEW

Review of the three months ended March 31, 2022

Bridge of 2021 to 2022 reported Revenue

Revenue	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe	Ardagh Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
Revenue 2021	**436**	**503**	**410**	**425**	**1,774**
Movement	93	135	91	13	332
FX translation	(30)	—	(28)	—	(58)
Revenue 2022	**499**	**638**	**473**	**438**	**2,048**

Bridge of 2021 to 2022 reported Adjusted EBITDA

Adjusted EBITDA	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe	Ardagh Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
Adjusted EBITDA 2021	**66**	**82**	**97**	**55**	**300**
Movement	(6)	7	(25)	(12)	(36)
FX translation	(4)	—	(7)	—	(11)
Adjusted EBITDA 2022	**56**	**89**	**65**	**43**	**253**
Other Unreported					(15)
Adjusted EBITDA 2022					**238**
2022 margin %	**11.2%**	**13.9%**	**13.7%**	**9.8%**	**11.6%**
2021 margin %	**15.1%**	**16.3%**	**23.7%**	**12.9%**	**16.9%**

Revenue

Ardagh Metal Packaging Europe. Revenue increased by $63 million, or 14%, to $499 million in the three months ended March 31, 2022, compared with $436 million in the three months ended March 31, 2021. Excluding unfavorable foreign currency translation effects of $30 million, revenue increased by $93 million, mainly due to favorable volume/mix effects and the pass through of higher input costs.

Ardagh Metal Packaging Americas. Revenue increased by $135 million, or 27%, to $638 million in the three months ended March 31, 2022, compared with $503 million in the three months ended March 31, 2021. The increase in revenue principally reflected the pass through of higher input costs and favorable volume/mix effects.

Ardagh Glass Packaging Europe. Revenue increased by $63 million, or 15%, to $473 million in the three months ended March 31, 2022, compared with $410 million in the three months ended March 31, 2021. Excluding unfavorable foreign currency translation effects of $28 million, revenue increased by $91 million, or 22%, principally due to favorable volume/mix effects and selling price increases reflecting the pass through of higher input costs.

Ardagh Glass Packaging North America. Revenue increased by $13 million, or 3%, to $438 million in the three months ended March 31, 2022, compared with $425 million in the three months ended March 31, 2021. The increase in revenue reflected the pass through of higher input costs, partially offset by unfavorable volume/mix effects.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA decreased by $10 million, or 15%, to $56 million in the three months ended March 31, 2022, compared with $66 million in the three months ended March 31, 2021. Excluding unfavorable foreign currency translation effects of $4 million, Adjusted EBITDA decreased by $6 million, principally reflecting input cost inflation, partly offset by favorable volume/mix effects.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $7 million, or 9%, to $89 million in the three months ended March 31, 2022, compared with $82 million in the three months ended March 31, 2021. The increase was primarily driven by strong recovery of input cost inflation and strong cost management.

Ardagh Glass Packaging Europe. Adjusted EBITDA decreased by $32 million, or 33%, to $65 million in the three months ended March 31, 2022, compared with $97 million in the three months ended March 31, 2021. Adjusted EBITDA decreased primarily due to increased input costs, including higher energy costs and logistic costs, which more than offset favorable volume/mix effects and increased selling prices to recover higher costs.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $12 million, or 22%, to $43 million in the three months ended March 31, 2022, compared with $55 million in the three months ended March 31, 2021. The decrease in Adjusted EBITDA was mainly driven by increased operating costs, including for freight and logistics, as well as unfavorable volume/mix effects.

Footnotes to the Selected Financial Information

(1) Adjusted EBITDA consists of loss for the year before income tax charge, net finance expense, depreciation and amortization, exceptional operating items and share of loss in equity accounted joint venture. We use Adjusted EBITDA to evaluate and assess our segment performance. Adjusted EBITDA is presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Adjusted EBITDA in a manner different from ours. Adjusted EBITDA is not a measure of financial performance under IFRS 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.

(2) Exceptional items are shown on a number of different lines in the Consolidated Income Statement presented in subsequent pages in this report.

(3) Includes exceptional finance income and expense.

(4) Restricted cash, cash and cash equivalents include short term bank deposits and restricted cash as per the note disclosures to the consolidated financial statements included in this annual report.

(5) Net borrowings comprise non-current and current borrowings, net of deferred debt issue costs and bond premium/discount.

(6) 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.

(7) Net debt to Adjusted EBITDA ratio at March 31, 2022 of 7.4x, is based on net debt at March 31, 2022 of $8,731 million and reported LTM Adjusted EBITDA for the Group for the 12 months ended March 31, 2022 of $1,183 million. Net debt to Adjusted EBITDA ratio for the year ended December 31, 2021 of 6.4x, is based on net debt at December 31, 2021 of $7,909 million and reported Adjusted EBITDA for the Group for the year ended December 31, 2021 of $1,245 million.

(8) Net interest expense is as set out in Note 6 to the consolidated financial statements.

(9) 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 Statement of Cash Flows.

Unaudited Consolidated Interim Financial Statements

ARD FINANCE S.A.
CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Unaudited Three months ended March 31, 2022 Before exceptional items $'m	Exceptional Items $'m	Total $'m	Unaudited Three months ended March 31, 2021 Before exceptional items $'m	Exceptional Items $'m	Total $'m
			Note 5			Note 5	
Revenue	4	2,048	—	2,048	1,774	—	1,774
Cost of sales		(1,813)	(16)	(1,829)	(1,496)	(3)	(1,499)
Gross profit		**235**	**(16)**	**219**	**278**	**(3)**	**275**
Sales, general and administration expenses		(129)	(19)	(148)	(100)	(5)	(105)
Intangible amortization	7	(57)	—	(57)	(61)	—	(61)
Operating profit/(loss)		**49**	**(35)**	**14**	**117**	**(8)**	**109**
Net finance (expense)/income	6	(109)	55	(54)	(97)	(5)	(102)
Share of post-tax profit/(loss) in equity accounted joint venture	8	26	(10)	16	(5)	(13)	(18)
(Loss)/profit before tax		**(34)**	**10**	**(24)**	**15**	**(26)**	**(11)**
Income tax credit/(charge)		7	(5)	2	(16)	2	(14)
(Loss)/profit for the period		**(27)**	**5**	**(22)**	**(1)**	**(24)**	**(25)**
Loss attributable to:							
Equity holders				(37)			(25)
Non-controlling interests	14			15			—
Loss for the period				**(22)**			**(25)**

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,	
	Note	2022 $'m	2021 $'m
Loss for the period		**(22)**	**(25)**
Other comprehensive income/(expense):			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
—Arising in the period		16	50
		16	**50**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		105	67
—Movement out of reserve to income statement		(10)	(28)
—Movement in deferred tax		(9)	(7)
		86	**32**
Loss recognized on cost of hedging:			
—New fair value adjustments into reserve		(3)	(1)
—Movement out of reserve		—	(1)
		(3)	**(2)**
Share of other comprehensive expense in equity accounted joint venture	8	**(5)**	**(14)**
Items that will not be reclassified to income statement			
—Re-measurement of employee benefit obligations	11	49	152
—Deferred tax movement on employee benefit obligations		(13)	(36)
		36	**116**
Share of other comprehensive income in equity accounted joint venture	8	9	7
Total other comprehensive income for the period		**139**	**189**
Total comprehensive income for the period		**117**	**164**
Attributable to:			
Equity holders		76	154
Non-controlling interests	14	41	10
Total comprehensive income for the period		**117**	**164**

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 FINANCIAL POSITION

	Note	Unaudited At March 31, 2022 $'m	Unaudited At December 31, 2021 $'m
Non-current assets			
Intangible assets	7	1,994	2,065
Property, plant and equipment	7	3,726	3,696
Derivative financial instruments		25	12
Deferred tax assets		199	217
Investment in material joint venture	8	317	303
Related party loan receivable	15	322	322
Employee benefit assets	11	77	78
Other non-current assets		30	28
		6,690	**6,721**
Current assets			
Inventories		1,239	1,103
Trade and other receivables		1,398	1,189
Contract assets		225	182
Derivative financial instruments		228	110
Related party loan receivable		—	13
Related party interest receivable	15	5	—
Cash and cash equivalents	10	1,768	2,906
Restricted cash and cash equivalents	10	7	143
		4,870	**5,646**
TOTAL ASSETS		**11,560**	**12,367**
Equity attributable to owners of the parent			
Equity share capital	9	—	—
Other reserves		458	410
Retained earnings		(2,799)	(2,788)
		(2,341)	**(2,378)**
Non-controlling interests	14	(4)	(38)
TOTAL EQUITY		**(2,345)**	**(2,416)**
Non-current liabilities			
Borrowings	10	9,975	10,504
Lease obligations	10	333	341
Employee benefit obligations	11	580	637
Derivative financial instruments		1	4
Deferred tax liabilities		294	307
Provisions and other liabilities	12	95	90
		11,278	**11,883**
Current liabilities			
Borrowings	10	111	16
Lease obligations	10	96	99
Interest payable		142	52
Derivative financial instruments		24	14
Trade and other payables		2,075	2,190
Income tax payable		120	116
Provisions	12	59	51
Dividends payable		—	362
		2,627	**2,900**
TOTAL LIABILITIES		**13,905**	**14,783**
TOTAL EQUITY and LIABILITIES		**11,560**	**12,367**

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 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, 2021	**—**	**10**	**88**	**41**	**12**	–	**(2,478)**	**(2,327)**	**(21)**	**(2,348)**
Loss for the period	–	–	–	–	–	–	(25)	**(25)**	–	**(25)**
Other comprehensive income/(expense)	–	–	37	31	(2)	–	113	**179**	10	**189**
Hedging gains transferred to cost of inventory	–	–	–	(7)	–	–	–	**(7)**	–	**(7)**
Dividends	–	–	–	–	–	–	(15)	**(15)**	–	**(15)**
Dividends by subsidiary to non-controlling interest	–	–	–	–	–	–	—	**—**	(3)	**(3)**
At March 31, 2021	**—**	**10**	**125**	**65**	**10**	–	**(2,405)**	**(2,195)**	**(14)**	**(2,209)**
At January 1, 2022	**—**	**10**	**144**	**85**	**7**	**164**	**(2,788)**	**(2,378)**	**(38)**	**(2,416)**
Loss for the period	–	–	–	–	–	–	(37)	**(37)**	15	**(22)**
Other comprehensive income/(expense)	–	–	9	69	(5)	–	40	**113**	26	**139**
Hedging gains transferred to cost of inventory	–	–	–	(25)	–	–	–	**(25)**	(7)	**(32)**
Share purchase (Note 9)	–	–	–	—	–	–	(14)	**(14)**	–	**(14)**
At March 31, 2022	**—**	**10**	**153**	**129**	**2**	**164**	**(2,799)**	**(2,341)**	**(4)**	**(2,345)**

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

		Unaudited Three months ended March 31,	
	Note	2022 $'m	2021 $'m
Cash flows used in operating activities			
Cash used in operations	13	(213)	(12)
Interest paid		(23)	(19)
Income tax paid		(15)	(4)
Net cash used in operating activities		**(251)**	**(35)**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(219)	(244)
Purchase of intangible assets		(3)	(3)
Repayment of loan by immediate parent company	15	13	–
Other investing cash flows		(2)	(13)
Cash Flows used in investing activities		**(211)**	**(260)**
Cash flows from financing activities			
Proceeds from borrowings	10	100	–
Repayment of borrowings	10	(470)	(6)
Debt settlement costs paid	5	(19)	—
Deferred debt issue costs paid		(2)	(4)
Share purchase	9	(14)	—
Lease payments		(32)	(27)
Dividends paid		(362)	–
Consideration paid on maturity of derivative financial instruments		–	(5)
Net cash outflow from financing activities		**(799)**	**(42)**
Net decrease in cash and cash equivalents		**(1,261)**	**(337)**
Cash and cash equivalents at the beginning of the period		3,049	1,298
Exchange losses on cash and cash equivalents		(13)	(11)
Cash and cash equivalents at the end of the period	10	**1,775**	**950**

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

1. General Information

ARD Finance S.A. 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, 2022 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.

Ardagh Group S.A. ("Ardagh") and its subsidiaries (together, the "Ardagh Group") are a leading supplier of sustainable innovative, value-added rigid packaging solutions, in Europe, the Americas and Africa.The Ardagh Group's products include metal beverage cans and glass containers primarily for beverage and food markets. End-use categories include beer, wine, spirits, carbonated soft drinks, energy drinks, juices and water, as well as food and pharmaceuticals. Ardagh also holds a stake of approximately 42% in Trivium Packaging B.V., 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. 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".

On November 26, 2021, the Ardagh Group announced that it had agreed to acquire Consol Holdings Proprietary Limited ("Consol"), the leading producer of glass packaging on the African continent, for an equity value of ZAR10.1 billion ($635 million). The acquisition was completed on April 29, 2022.

All of the business of the Company and its controlled subsidiaries (the "Group") is conducted by the Ardagh Group. All of the financing of the Group other than the $895 million 6.500%/7.250% Senior Secured Toggle Notes due 2027, and the €796 million 5.000%/5.750% Senior Secured Toggle Notes due 2027 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 being imposed on the Russian government, 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.

Any description of the business of the Group is a description of the business of the Ardagh Group.

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

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 May 30, 2022.

3. Summary of significant accounting policies

Basis of preparation

The unaudited consolidated interim financial statements of the Group for the three months ended March 31, 2022 and 2021, 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, 2021 which was prepared in accordance with International Financial Reporting Standards ("IFRS").

The unaudited consolidated interim financial statements are presented in U.S. dollar rounded to the nearest million.

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.

Recent changes in accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2022 have been assessed by the directors. No new standards or amendments to existing standards effective January 1, 2022 have had or are expected to have a material impact for the Group. The Directors' assessment of the impact of new standards, 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 Ardagh Group's operating and reportable segments, which are set out below, reflect the basis on which the Ardagh Group's performance is reviewed by management and regularly presented to the Board and certain members of the board of directors of Ardagh Group S.A., which has been identified as the Chief Operating Decision Maker ("CODM") for the Group.

- Ardagh Metal Packaging Europe
- Ardagh Metal Packaging Americas
- Ardagh Glass Packaging Europe
- 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 is not material.

Reconciliation of loss for the period to Adjusted EBITDA

	Three months ended March 31,	
	2022 $'m	2021 $'m
Loss for the period	(22)	(25)
Income tax (credit)/charge	(2)	14
Net finance expense	54	102
Depreciation and amortization	189	183
Exceptional operating items	35	8
Share of post-tax (profit)/loss in equity accounted joint venture	(16)	18
Adjusted EBITDA	**238**	**300**

Segment results for the three months ended March 31, 2022 and 2021 are:

	Revenue		Adjusted EBITDA	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Ardagh Metal Packaging Europe	499	436	56	66
Ardagh Metal Packaging Americas	638	503	89	82
Ardagh Glass Packaging Europe	473	410	65	97
Ardagh Glass Packaging North America	438	425	43	55
Total reportable segments	**2,048**	**1,774**	**253**	**300**
Other Unreported*	–	–	(15)	–
Group	**2,048**	**1,774**	**238**	**300**

*Includes a provision in respect of a long-term incentive plan established by the Company.

One customer across all reportable segments accounted for greater than 10% of total revenue in the three months ended March 31, 2022 (2021: none).

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 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 is not necessary.

The following illustrates the disaggregation of revenue by destination for the three months ended March 31, 2022:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	495	2	2	499
Ardagh Metal Packaging Americas	–	519	119	638
Ardagh Glass Packaging Europe	453	3	17	473
Ardagh Glass Packaging North America	–	438	–	438
Group	**948**	**962**	**138**	**2,048**

The following illustrates the disaggregation of revenue by destination for the three months ended March 31, 2021:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	433	1	2	436
Ardagh Metal Packaging Americas	–	398	105	503
Ardagh Glass Packaging Europe	400	2	8	410
Ardagh Glass Packaging North America	–	425	–	425
Group	**833**	**826**	**115**	**1,774**

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

	Three months ended March 31,	
	2022 $'m	**2021 $'m**
Over time	914	724
Point in time	1,134	1,050
Group	**2,048**	**1,774**

5. Exceptional items

	Three months ended March 31,	
	2022 $'m	**2021 $'m**
Start-up related and other costs	16	3
Exceptional items - cost of sales	**16**	**3**
Transaction-related and other costs	19	5
Exceptional items - SGA expenses	**19**	**5**
Interest payable on notes issuance	—	5
Gains on exceptional derivative financial instruments and other	(75)	—
Debt settlement costs	19	—
Interest expense	1	—
Exceptional items - finance (income)/expense	**(55)**	**5**
Share of exceptional items in material joint venture	10	13
Exceptional items from continuing operations	**(10)**	**26**
Exceptional income tax charge/(credit)	5	(2)
Total exceptional (credit)/charge, net of tax	**(5)**	**24**

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

2022

Exceptional items of $5 million have been recognized in the three months ended March 31, 2022, primarily comprising:

- $16 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($7 million) and Ardagh Metal Packaging Europe ($7 million), relating to the Group's investment programs and $2 million other costs in Ardagh Glass Packaging North America, as a result of weather related downtime.
- $19 million transaction-related and other costs. Of this, $7 million primarily arose due to professional advisory fees in connection with transactions and other costs related to transformation initiatives in Ardagh Metal Packaging ($4

million) and Ardagh Glass Packaging North America ($3 million). $12 million of costs related to acquisition, other transaction costs, including professional advisory fees, and other costs in Ardagh Glass Packaging Europe.

- $75 million finance income primarily relating to a $69 million credit on the fair value movement on forward foreign exchange contracts entered into in connection with the proposed acquisition of Consol Holdings Proprietary Limited (as outlined in Note 1 – General information), and $6 million credit related to fair value and foreign currency gains on Public and Private Warrants.

- $19 million debt settlement costs related to the redemption premium on the partial redemption of the $1,300 million 6.500%/7.250% senior secured toggle notes due 2027 and the €1,000 million 5.000%/5.750% senior secured toggle notes due 2027 plus $1 million accrued interest up to but excluding the payment date.

- $10 million from the share of exceptional items in the Trivium joint venture.

- $5 million from the tax charge relating to the above exceptional items.

2021

Exceptional items of $24 million have been recognized in the three months ended March 31, 2021, primarily comprising:

- $3 million start-up related costs in Metal Beverage Packaging Americas and Metal Beverage Packaging Europe, relating to the Group's investment programs.

- $5 million transaction-related and other costs primarily comprised of costs relating to acquisition and other transactions, including professional advisory fees, and other costs related to transformation initiatives.

- $5 million, primarily related to interest payable on AMP Notes Issuance in March 2021 related to the period prior to closing the proposed combination of Ardagh Metal Packaging with Gores Holdings V.

- $13 million from the share of exceptional items in the Trivium joint venture.

- $2 million from tax credits relating to the above exceptional items.

6. Net finance expense

	Three months ended March 31,	
	2022	**2021**
	$'m	**$'m**
Senior secured and senior notes	112	105
Other interest expense	8	5
Related party interest income	(5)	(5)
Interest expense	**115**	**105**
Net pension interest cost	2	3
Foreign currency translation gains	(5)	(6)
Gains on derivative financial instruments	(1)	(4)
Other finance income	(2)	(1)
Net finance expense before exceptional items	**109**	**97**
Net exceptional finance (income)/expense (Note 5)	(55)	5
Net finance expense	**54**	**102**

7. Intangible assets and property, plant and equipment

	Intangible assets $'m	Property, plant and equipment $'m
Net book value at January 1, 2022	2,065	3,696
Additions	9	202
Acquisition*	1	—
Charge for the period	(57)	(132)
Foreign exchange	(24)	(40)
Net book value at March 31, 2022	**1,994**	**3,726**

*During the three months ended March 31, 2022, additional provisional fair value adjustments to customer relationships and goodwill, net of deferred tax, were made in relation to the net assets acquired as part of the business combination with Hart Print Inc.

At March 31, 2022, the carrying amount of goodwill included within intangible assets was $1,224 million (December 31, 2021: $1,237 million).

At March 31, 2022, the carrying amount of the right-of-use assets included within property, plant and equipment was $391 million (December 31, 2021: $401 million).

The Group recognized a depreciation charge of $132 million in the three months ended March 31, 2022 (2021: $122 million), of which $23 million (2021: $25 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, 2022.

8. Investment in material joint venture

Investment in material joint venture is comprised of the Group's approximate 42% investment in Trivium Packaging B.V. incorporated in the Netherlands, with corporate offices in Amsterdam. The remaining approximate 58% is held by Ontario Teachers' Pension Plan Board. As the Group 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 Shareholders Agreement, dated October 31, 2019, which governs their relationship as owners of Trivium, including in respect of the governance of Trivium and its subsidiaries, their ability to transfer their shares in Trivium and other customary matters.

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

	Three months ended March 31,	
	2022	**2021**
	$'m	**$'m**
Gain/(loss) for the period	16	(18)
Other comprehensive income/(expense)	4	(7)
Total comprehensive gain/(loss)	**20**	**(25)**

	At March 31,	At December 31,
	2022	**2021**
	$'m	**$'m**
Investment in joint venture	317	303

The reconciliation of summarized financial information presented to the carrying amount of the Group's interest in Trivium is set out below.

	2022 $'m	2021 $'m
Group's interest in net assets of material joint venture at January 1	303	390
Share of total comprehensive income/(expense)	20	(25)
Foreign exchange	(6)	(16)
Carrying amount of interest in material joint venture - March 31	**317**	**349**

Management has considered the carrying amount of the Ardagh Group's equity accounted investment in Trivium and concluded that it is fully recoverable as at March 31, 2022.

The Ardagh Group is party to a Mutual Services Agreement ("MSA") with Trivium, pursuant to which the Group and Trivium provide services to each other. The services generally relate to administrative support in respect of tax reporting and R&D. The MSA provides for the sharing of certain facilities leased by the Ardagh Group in connection with the provision of services, with appropriate segregation in place between the Group's entities, and Trivium.

The Ardagh Group recognized income of $2 million in respect of the MSA in the three months ended March 31, 2022 respectively (March 31, 2021: $3 million).

At March 31, 2022 and December 31, 2021, the Ardagh Group had no significant related party balances outstanding with Trivium.

9. Issued capital and reserves

Issued and fully paid shares:

	Number of Shares (million)	$'m
Ordinary shares (par value €0.01)	10.3	–
At March 31, 2022 and December 31, 2021	**10.3**	**–**

In March 2022, the Company acquired a number of shares from external shareholders of Ardagh Group S.A. The combined impact of the transactions noted above resulted in a reduction in the retained earnings of $14 million.

10. Financial assets and liabilities

At March 31, 2022 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			Local currency m	$'m	$'m
Liabilities of the ARD Finance Group							
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	796	884	–
ARD Finance Group total borrowings / undrawn facilities						**1,779**	**–**
Liabilities of the Ardagh Group							
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	439	487	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	877	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	525	–
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	–
Global Asset Based Loan Facility	USD	467	16-Feb-27	Revolving	–	–	467
Lease obligations	Various	–		Amortizing	–	248	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	1	1
Restricted Group total borrowings / undrawn facilities						**5,853**	**468**
2.000% Senior Secured Notes	EUR	450	01-Sep-28	Bullet	450	500	–
3.250% Senior Secured Notes	USD	600	01-Sep-28	Bullet	600	600	–
3.000% Senior Notes	EUR	500	01-Sep-29	Bullet	500	555	–
4.000% Senior Notes	USD	1,050	01-Sep-29	Bullet	1,050	1,050	–
Global Asset Based Loan Facility	USD	325	06-Aug-26	Revolving	–	100	225
Lease obligations	Various	–		Amortizing	–	181	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	18	–
Unrestricted Group* total borrowings / undrawn facilities						**3,004**	**225**
Total borrowings / undrawn facilities						**10,636**	**693**
Deferred debt issue costs and bond discounts/bond premium						(121)	–
Net borrowings / undrawn facilities						**10,515**	**693**
Cash, cash equivalents and restricted cash						(1,775)	1,775
Derivative financial instruments used to hedge foreign currency and interest rate risk						(9)	–
Net debt / available liquidity						**8,731**	**2,468**

*Unrestricted group refers to AMPSA and its subsidiaries as referred to in Note 1- General information.

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

The fair value of the restricted group's total borrowings excluding lease obligations at March 31, 2022, is $6,897 million (December 31, 2021: $8,000 million). The fair value of the unrestricted group's total borrowings excluding lease obligations at March 31, 2022 is $2,561 million (December 31, 2021: $2,701 million).

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in 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 nature customary for such facilities.

At December 31, 2021, 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			Local currency m	$'m	$'m
Liabilities of the ARD Finance Group							
6.500%/7.250% Senior Secured Toggle Notes	USD	1,130	30-Jun-27	Bullet	1,130	1,130	–
5.000%/5.750% Senior Secured Toggle Notes	EUR	1,000	30-Jun-27	Bullet	1,000	1,133	–
ARD Finance Group total borrowings/ undrawn facilities						**2,263**	**–**
Liabilities of the Ardagh Group							
5.250% Senior Secured Notes	USD	700	30-Apr-25	Bullet		700	–
4.125% Senior Secured Notes	USD	1,215	15-Aug-26	Bullet		1,215	–
2.125% Senior Secured Notes	EUR	439	15-Aug-26	Bullet		497	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet		895	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	–	539	–
5.250% Senior Notes	USD	800	15-Aug-27	Bullet	–	800	–
5.250% Senior Notes	USD	1,000	15-Aug-27	Bullet	–	1,000	–
Global Asset Based Loan Facility	USD	467	07-Dec-22	Revolving	–	–	467
Finance Lease obligation	Various	–		Amortising	–	258	–
Other borrowings/credit lines	Various	–	Rolling	Amortising	–	1	1
Restricted Group total borrowings / undrawn facilities						**5,905**	**468**
2.000% Senior Secured Notes	EUR	450	01-Sep-28	Bullet	450	510	–
3.250% Senior Secured Notes	USD	600	01-Sep-28	Bullet	600	600	–
3.000% Senior Notes	EUR	500	01-Sep-29	Bullet	500	566	–
4.000% Senior Notes	USD	1,050	01-Sep-29	Bullet	1,050	1,050	–
Global Asset Based Loan Facility	USD	325	06-Aug-26	Revolving		–	325
Finance Lease Obligations	Various	–		Amortizing		182	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing		19	–
Unrestricted Group* total borrowings / undrawn facilities						2,927	–
Total borrowings / undrawn facilities						**11,095**	**325**
Deferred debt issue costs and bond discounts/bond premium						(135)	–
Net borrowings / undrawn facilities						**10,960**	**793**
Cash, cash equivalents and restricted cash						(3,049)	3,049
Derivative financial instruments used to hedge foreign currency and interest rate risk						(2)	–
Net debt / available liquidity						**7,909**	**3,842**

*Unrestricted group refers to AMPSA 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, 2022 $'m	At December 31, 2021 $'m
Liabilities of the ARD Finance Group		
Greater than five years	**1,779**	**2,263**
Liabilities of the Ardagh Group		
Within one year or on demand	55	58
Between one and three years	74	71
Between three and five years	3,329	3,361
Greater than five years	2,395	2,415
Restricted Group total borrowings	**5,853**	**5,905**
Within one year or on demand	152	56
Between one and three years	55	55
Between three and five years	59	59
Greater than five years	2,738	2,757
Unrestricted Group total borrowings	**3,004**	**2,927**
Total borrowings	**10,636**	**11,095**
Deferred debt issue costs and bond discounts/bond premium	(121)	(135)
Net Borrowings	**10,515**	**10,960**

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

2022

On January 19, 2022, the Group partially redeemed $235 million of the $1,130 million 6.500% Senior Secured Toggle Notes due 2027. $895 million remains outstanding at 31 March 2022. On the same date, the Group also partially redeemed €204 million of the €1,000 million 5.000% Senior Secured Toggle Notes due 2027. €796 million remains outstanding at 31 March 2022. The Group paid applicable redemption premiums and accrued interest.

Lease obligations at March 31, 2022 of $429 million (December 31, 2021: $440 million), primarily reflects $34 million of principal repayments and foreign currency movements offset by $23 million of new lease liabilities, in the three months ended March 31, 2022.

At March 31, 2022 the Group had $692 million available under the Global Asset Based Loan Facilities.

Forward foreign exchange contracts

During 2021, Ardagh entered into forward foreign exchange contracts in connection with the proposed acquisition of Consol Holdings Proprietary Limited. This resulted in a fair value credit of $69 million during the period. Refer to Note 5 - Exceptional items for more details.

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 asset position at March 31, 2022 of $9 million (December 31, 2021: $2 million net asset).

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 and senior 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 value of the CCIRS are based on quoted market prices and represent Level 2 inputs.
(iv) Commodity and foreign exchange derivatives – the fair value of these derivatives is 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.

11. Employee benefit obligations

Employee benefit obligations at March 31, 2022 have been reviewed in respect of the latest discount rates, inflation rates and asset valuations. A re-measurement gain of $49 million (2021: gain of $152 million) has been recognized in the unaudited consolidated interim statement of comprehensive income for the three months ended March 31, 2022.

The re-measurement gain recognized for the three months ended March 31, 2022 consisted of a decrease in obligations of $193 million (2021: decrease of $209 million), partly offset by a decrease in asset valuations of $144 million (2021: decrease of $57 million).

12. Other liabilities and provisions

	At March 31, 2022 $'m	At December 31, 2021 $'m
Provisions		
Current	59	51
Non-current	68	57
Other liabilities		
Non-current	27	33
	154	**141**

Other Liabilties

On August 4, 2021, all warrants previously exercisable for the purchase of shares in Gores Holdings V were converted into AMPSA warrants exercisable for the purchase of shares in AMPSA at an exercise price of $11.50 over a five-year period after the closing of the Merger on August 4, 2021. In accordance with IAS 32, those warrants have been recognized as a financial liability measured at fair value in the consolidated financial statements. For the warrants issued to the former sponsors of Gores Holdings V ("Private Warrants") a valuation was performed for the purpose of determining the financial liability. The valuation applied a Black Scholes model, using key assumptions for volatility (36%) (December 31, 2021: volatility 34%); a dividend yield implicit from the traded closing price of the AMPSA warrants; and risk-free rate. All other outstanding warrants ("Public Warrants") were valued using the traded closing prices of the AMPSA warrants. The estimated valuation of the liability as of March 31, 2022, and December 31, 2021, were $27 million and $33 million, respectively. Any changes in the valuation have been reflected in net exceptional finance income. Any increase or decrease in volatility of 5% would result in an increase or decrease in the fair value of the Private Warrants as of March 31, 2022, of approximately $1 million. Alternatively, an increase in the market-implied dividend yield of 1% would not result in a significant change in the fair value of the Private Warrants as of March 31, 2022.

13. Cash used in operating activities

	Three months ended March 31, 2022 $'m	Three months ended March 31, 2021 $'m
Loss from operations	**(22)**	**(25)**
Income tax (credit)/charge	(2)	14
Net finance expense	54	102
Depreciation and amortization	189	183
Exceptional operating items	35	8
Share of post-tax (gain)/loss in equity accounted joint venture	(16)	18
Movement in working capital	(366)	(290)
Transaction-related, start-up and other exceptional costs paid	(85)	(22)
Cash used in operations	**(213)**	**(12)**

14. Non-controlling interests – AMPSA

Non-controlling interests represent 24.7% of the total equity in the Group's subsidiary AMPSA (December 31, 2021: 24.7%). The total equity attributable to non-controlling interests at March 31, 2022 is $4 million (December 31, 2021: $38 million). No dividend has been paid to non-controlling interests during the three months ended March 31, 2022.

Summarized financial information, as of the date these interim consolidated financial statements were authorized for issue, for AMPSA for the three months ended and as at March 31, 2022 is set out below:

	Three months ended March 31,	
	2022	**2021**
	$'m	**$'m**
Profit/(loss) for the period	57	(74)
Cash flows used in operating activities	(194)	(93)

	At March 31,	At December 31,
	2022	**2021**
	$'m	**$'m**
Current assets	1,751	1,661
Non-current assets	3,675	3,664
Current liabilities	(1,474)	(1,400)
Non-current liabilities	(3,537)	(3,639)
Net assets	**415**	**286**

15. Related party transactions

At March 31, 2022, ARD Finance S.A had related party loan and interest receivable balances of $327 million with ARD Securities Finance Sarl (December 31, 2021: $322 million with ARD Securities Finance Sarl and $13 million with ARD Holdings S.A.).

During the period, ARD Finance S.A. received full repayment in relation to a loan to ARD Holdings S.A. amounting to $13 million.

There were no other transactions with related parties during this period or changes to transactions with related parties as disclosed in the 2021 consolidated financial statements that had a material effect on the financial position or performance of the ARD Finance Group.

16. Contingencies

Environmental issues

The Ardagh 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 metal packaging and surface treatment using solvents;
- the operation of installations for manufacturing of container glass;
- 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 Ardagh 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 Ardagh Group arising under environmental laws are pending.

Legal matters

The Ardagh 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 Ardagh Group's revenue and cash flows are both subject to seasonal fluctuations with the Ardagh 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 the period leading up to holidays in December.

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

18. Events after the reporting period

Acquisition of Consol

On November 26, 2021, the Ardagh Group announced that it had agreed to acquire Consol Holdings Proprietary Limited ("Consol"), the leading producer of glass packaging on the African continent, for an equity value of ZAR10.1 billion ($635 million). The acquisition was completed on April 29, 2022.