ArdaghGroup

ARD Finance S.A. Annual Report

For the year ended 31 December 2021

TABLE OF CONTENTS

Consolidated financial statements for the year ended 31 December 2021

Management Report 2

Consolidated Financial Statements

- Report of Independent Registered Public Accounting Firm. 17
- Consolidated Income Statement for the years ended December 31, 2021 and 2020 23
- Consolidated Statement of Comprehensive Income for the years ended December 31, 2021 and 2020........ 24
- Consolidated Statement of Financial Position at December 31, 2021 and 2020 25
- Consolidated Statement of Changes in Equity for the years ended December 31, 2021 and 2020 26
- Consolidated Statement of Cash Flows for the years ended December 31, 2021 and 2020........ 27
- Notes to the Consolidated Financial Statements 28

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 registered with the R.C.S. Luxembourg under number B 160806.

The Company is a holding company whose only significant assets as of December 31, 2021 consist 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 Company and its controlled subsidiaries (the "Group") is conducted by the Ardagh Group S.A. ("Ardagh") and its subsidiaries (together, the "Ardagh Group"). All of the financing of the Group other than the $1,130 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 (together the "Toggle Notes" as described in Note 19) are liabilities of the Ardagh Group.

As used herein, "AMP" refers to Ardagh Metal Packaging S.A. and its consolidated subsidiaries, except where the context requires otherwise.

On February 22, 2021, Ardagh announced its entry into a business combination agreement (the "Business Combination Agreement"), dated as of February 22, 2021, by and among Ardagh, Ardagh Metal Packaging S.A., Ardagh MP MergeCo Inc., a newly formed Delaware corporation that is a wholly-owned subsidiary of AMP and Gores Holdings V Inc. ("Gores Holdings V"), pursuant to which the parties thereto agreed to effect the merger of Ardagh MP MergeCo Inc. with and into Gores Holdings V, with Gores Holdings V being the surviving corporation as a wholly-owned subsidiary of Ardagh Metal Packaging S.A. (the "Merger", and, together with the other transactions contemplated in the Business Combination Agreement, the "Business Combination") to create an independent, pure-play beverage can company. On August 4, 2021, in accordance with the terms of the Business Combination Agreement, the parties consummated the Merger and, pursuant to the terms of subscription agreements dated February 22, 2021, among AMP, Gores Holdings V and certain investors in a private placement (the "PIPE Investors"). Following the consummation of the Merger and PIPE subscription, Ardagh held approximately 81.8% of the issued share capital of AMP. See Note 1 – General Information for more details.

These consolidated financial statements reflect the consolidation of the legal entities forming the Group for the periods presented. These principal operating legal entities forming the Group are listed in Note 27.

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

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 in conjunction with, and qualified in its entirety by, reference to the audited consolidated financial statements (the “Financial Statements”) of this company, ARD Finance S.A..

The following table sets forth summary consolidated financial information for the Group.

	Year ended December 31,	
	2021	**2020**
	(in $ millions, except ratios and percentages)	
Income statement data		
Revenue	7,577	6,731
Adjusted EBITDA[(1)]	**1,245**	**1,155**
Depreciation and amortization	(746)	(688)
Exceptional items[(2)]	(851)	(58)
Net finance expense[(3)]	(482)	(449)
Share of post-tax loss in equity accounted joint venture	(55)	(48)
Loss before tax	**(889)**	**(88)**
Income tax credit/(charge)	18	(10)
Loss from continuing operations	**(871)**	**(98)**
Profit from discontinued operation	—	22
Loss for the year	**(871)**	**(76)**
Balance sheet data		
Cash and cash equivalents[(4)]	2,906	1,292
Restricted cash and cash equivalents[(4)]	143	6
Total assets	12,367	10,016
Total equity	(2,416)	(2,348)
Net borrowings[(5)]	10,960	9,203
Net debt[(6)]	7,909	8,010
Ratio of net debt to Adjusted EBITDA[(1, 6, 7)]	6.4x	6.9x
Other data		
Adjusted EBITDA margin [(1)]	16.4%	17.2%
Net interest expense[(8)]	491	413
Maintenance capital expenditure[(9)]	371	326
Growth investment capital expenditure[(9)]	695	217

All footnotes are on page 10 of this document.

OPERATING AND FINANCIAL PERFORMANCE REVIEW

Operating Results

Business Drivers

The main factors affecting our results of operations for Ardagh Metal Packaging and Ardagh Glass Packaging are: (i) global economic trends, end-consumer demand for our products and production capacity of our manufacturing facilities; (ii) prices of energy and raw materials used in our business, primarily aluminum, steel, cullet, sand, soda ash and coatings, and our ability to pass through these and other cost increases to our customers, through contractual pass through mechanisms under multi-year contracts, or through renegotiation in the case of short-term contracts; (iii) investment in operating cost reductions; (iv) acquisitions; and (v) foreign exchange rate fluctuations and currency translation risks arising from various currency exposures, primarily with respect to the euro, U.S. dollar, British pound, Swedish krona, Polish zloty, Danish krone and Brazilian real.

Cyber Security Incident

On May 17, 2021, the Ardagh Group announced that it had experienced a cyber security incident, the response to which included pro-actively shutting down certain IT systems and applications used by the business. Key systems were brought back online securely, in a phased manner and in line with our plan. Production at all of our manufacturing facilities continued to operate throughout this period, though we experienced some shipping delays as a result of this incident.

We believe that our existing information technology control environment is appropriately robust and consistent with industry standards. However, we are reviewing our information technology roadmap and accelerating planned IT investments to further improve the effectiveness of our information security. We do not believe that our growth investment program has been impacted by this incident. The Ardagh Group notified relevant authorities in relation to the exfiltration and dissemination of data which arose in connection with this incident. We do not expect further material costs to arise from the incident.

During the year ended December 31, 2021, the Ardagh Group recognized $63 million of costs related to this incident, including $34 million of exceptional costs. AMP incurred $31 million of the total Group costs, including $5 million exceptional related costs, due to this incident, which Ardagh indemnified in full by December 31, 2021, pursuant to a letter agreement with AMP, dated May 21, 2021, under which we agreed to indemnify, defend and hold harmless AMP, its subsidiaries and their respective successors from and against any and all losses that were incurred prior to December 31, 2021, resulting from this cyber security incident. In accordance with our insurance recoverable accounting policy, the Ardagh Group recognized an insurance recoverable of $35 million at December 31, 2021, being $58 million in relation to costs deemed virtually certain to be recovered based on the demonstratable entitlement to such recovery, net of $23 million of insurance proceeds received. The remaining $35 million was received in January 2022.

Ardagh Metal Packaging

Ardagh Metal Packaging generates its revenue from supplying metal can packaging to the beverage end use category. Revenue is primarily dependent on sales volumes and sales prices.

Sales volumes are influenced by a number of factors, including factors driving customer demand, seasonality and the capacity of our metal packaging plants. Demand for our metal beverage cans may be influenced by trends in the consumption of beverages, industry trends in packaging, including marketing decisions, and the impact of environmental regulations and shifts in consumer sentiment towards a greater awareness of sustainability. The demand for our beverage products is strongest during spells of warm weather and therefore demand typically, based on historical trends, peaks during the summer months, as well as in the period leading up to holidays in December. Accordingly, we generally build inventories in the first and fourth quarter in anticipation of the seasonal demands in our metal packaging business.

AMP's Adjusted EBITDA is based on revenue derived from selling our metal beverage cans and is affected by a number of factors, primarily cost of sales. The elements of AMP's cost of sales include (i) variable costs, such as electricity, raw materials (including the cost of aluminum), packaging materials, decoration and freight and other distribution costs, and (ii) fixed costs, such as labor and other plant-related costs including depreciation and maintenance. In addition, sales, marketing and administrative costs also impact Adjusted EBITDA. AMP's variable costs have typically constituted approximately 75% and fixed costs approximately 25% of the total cost of sales for its business.

Ardagh Glass Packaging

Ardagh Glass Packaging generates its revenue principally from selling glass containers. Ardagh Glass Packaging revenue is primarily dependent on sales volumes and sales prices. Ardagh Glass Packaging includes our glass engineering business, Heye International.

Sales volumes are affected by a number of factors, including factors impacting customer demand, seasonality and the capacity of Ardagh Glass Packaging's plants. Demand for glass containers may be influenced by trends in the consumption of beverages, fruit and vegetable harvests, industry trends in packaging, including marketing decisions, and the impact of environmental regulations, as well as changes in consumer sentiment including a greater awareness of sustainability issues.

Beverage sales within our glass packaging business are seasonal in nature, with strongest demand during the summer and during periods of warm weather, as well as the period leading up to holidays in December. Accordingly, Ardagh Glass Packaging's shipment volumes of glass containers is typically lower in the first quarter. Ardagh Glass Packaging builds inventory in the first quarter in anticipation of these seasonal demands. In addition, Ardagh Glass Packaging generally schedules shutdowns of its plants for furnace rebuilding and repairs of machinery in the first quarter. These strategic shutdowns and seasonal sales patterns adversely affect profitability in Ardagh Glass Packaging's glass manufacturing operations during the first quarter of the year. Plant shutdowns may also affect the comparability of results from period to period. Ardagh Glass Packaging's working capital requirements are typically greatest at the end of the first quarter of the year.

Ardagh Glass Packaging's Adjusted EBITDA is based on revenue derived from selling glass containers and glass engineering products and services and is affected by a number of factors, primarily cost of sales. The elements of Ardagh Glass Packaging's cost of sales for its glass container manufacturing business include (i) variable costs, such as natural gas and electricity, raw materials (including the cost of cullet), packaging materials, decoration and freight and other distribution costs, and (ii) fixed costs, such as labor and other plant-related costs including depreciation and maintenance. In addition, sales, marketing and administrative costs also impact Adjusted EBITDA. Ardagh Glass Packaging's variable costs have typically constituted approximately 40% and fixed costs approximately 60% of the total cost of sales for our glass container manufacturing business.

Financial Performance Review

Bridge of 2020 to 2021 Revenue and Adjusted EBITDA

Three months ended December 31, 2021

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 2020	**398**	**495**	**416**	**394**	**1,703**
Organic	62	137	61	30	290
FX translation	(5)	—	(1)	—	(6)
Revenue 2021	**455**	**632**	**476**	**424**	**1,987**

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 2020	**52**	**88**	**92**	**49**	**281**
Organic	3	23	(14)	(25)	(13)
FX translation	(1)	—	—	—	(1)
Adjusted EBITDA 2021	**54**	**111**	**78**	**24**	**267**
AMP indemnification net of insurance recoverable					17
Adjusted EBITDA 2021					**284**
2021 margin %	**11.9%**	**17.6%**	**16.4%**	**5.7%**	**14.3%**
2020 margin %	**13.1%**	**17.8%**	**22.1%**	**12.4%**	**16.5%**

Revenue

Ardagh Metal Packaging Europe. Revenue of $455 million increased by 14% in the fourth quarter, compared with the same period last year. On a constant currency basis, revenue increased by 16%, principally due to favorable volume/mix effects and the pass through of higher input costs.

Ardagh Metal Packaging Americas. Fourth quarter revenue increased by 28% to $632 million, compared with the same period last year, principally reflecting favorable volume/mix effects and the pass through of higher input costs.

Ardagh Glass Packaging Europe. Revenue increased by $60 million, or 14%, to $476 million in the quarter ended December 31, 2021, compared with $416 million in the quarter ended December 31,2020. Excluding unfavorable foreign currency translation effects of $1 million, revenue increased by $61 million, or 15%, mainly driven by favorable volume/mix effects during the quarter.

Ardagh Glass Packaging North America. Revenue increased by $30 million, or 8%, to $424 million in the quarter ended December 31, 2021, compared with $394 million in the quarter ended December 31, 2020. The increase in revenue reflected favorable volume/mix effects of 5%, and the pass through of higher input costs.

See Operating and Financial Review — Business Drivers.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA for the quarter of $54 million increased by $2 million, or 4%, at actual exchange rates, and by 6% at constant currency, compared with the same period last year. The increase in Adjusted EBITDA was principally due to a strong volume performance, partly offset by input cost inflation.

Ardagh Metal Packaging Americas. Adjusted EBITDA for the quarter of $111 million increased by 26%, compared with $88 million in the same period last year, due to favorable volume/mix effects, which includes an impact of the Group's growth investment program, and strong cost management.

Ardagh Glass Packaging Europe. Adjusted EBITDA decreased by $14 million, or 15%, to $78 million in the quarter ended December 31, 2021, compared with $92 million in the quarter ended December 31, 2020. Adjusted EBITDA decreased primarily due to higher input costs, notably energy, partly offset by favorable volume/mix effects which includes an impact of the Group's growth investment program, as well as operating cost savings.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $25 million, or 51%, to $24 million in the quarter ended December 31, 2021, compared with $49 million in the quarter ended December 31, 2020. The decrease in Adjusted EBITDA was driven by increased operating costs, including higher freight and energy costs, partly offset by increased volumes.

Year ended December 31, 2021

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 2020	**1,599**	**1,852**	**1,640**	**1,640**	**6,731**
Organic	159	365	58	98	680
FX translation	80	—	86	—	166
Revenue 2021	**1,838**	**2,217**	**1,784**	**1,738**	**7,577**

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 2020	**249**	**296**	**369**	**241**	**1,155**
Organic	19	85	5	(51)	58
FX translation	13	—	19	—	32
Adjusted EBITDA 2021	**281**	**381**	**393**	**190**	**1,245**
2021 margin %	**15.3%**	**17.2%**	**22.0%**	**10.9%**	**16.4%**
2020 margin %	**15.6%**	**16.0%**	**22.5%**	**14.7%**	**17.2%**

Revenue

Ardagh Metal Packaging Europe. Revenue increased by $239 million, or 15%, to $1,838 million in the year ended 31 December 2021, compared with $1,599 million in the year ended December 31, 2020. On a constant currency basis, the increase in revenue of 9%, principally reflects favorable volume/mix effects of 4% and the pass through of higher input costs.

Ardagh Metal Packaging Americas. Revenue increased by $365 million, or 20%, to $2,217 million in the year ended 31 December 2021, compared with $1,852 million in the year ended December 31, 2020. Revenue growth reflected favorable volume/mix effects of 7%, and the pass through of higher input costs.

Ardagh Glass Packaging Europe. Revenue increased by $144 million, or 9%, to $1,784 million in the year ended December 31, 2021, compared with $1,640 million in the year ended December 31, 2020. Excluding favorable foreign currency translation effects of $86 million, revenue increased by $58 million, mainly driven by favorable volume/mix effects.

Ardagh Glass Packaging North America. Revenue increased by $98 million, or 6%, to $1,738 million in the year ended December 31, 2021, compared with $1,640 million in the year ended December 31, 2020. The increase in revenue principally reflected favorable volume/mix effects of 5%, and the pass through of higher input costs.

See Operating and Financial Review —Business Drivers.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA increased by $32 million, or 13%, to $281 million in the year ended December 31, 2021, compared with $249 million in the year ended December 31, 2020. Excluding favorable foreign currency translation effects of $13 million, the increase in Adjusted EBITDA of 7% reflected favorable volume/mix effects, which included a contribution from the Group's growth investment program, as well as operating cost savings.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $85 million, or 29%, to $381 million in the year ended December 31, 2021, compared with $296 million in the year ended December 31, 2020. Adjusted EBITDA growth was mainly driven by favorable volume/mix effects, including a positive impact from the Group's growth investment program.

Ardagh Glass Packaging Europe. Adjusted EBITDA increased by $24 million, or 7%, to $393 million in the year ended 31 December 2021, compared with $369 million in the year ended December 31, 2020. Excluding favorable foreign currency translation effects of $19 million, Adjusted EBITDA increased by $5 million. This increase reflected favorable volume/mix effects, including an impact of the Group's growth investment program and operating cost savings, including as a result of lower production downtime than in 2020, partly offset by increased inputs, in particular for energy.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $51 million, or 21%, to $190 million in the year ended December 31, 2021, compared with $241 million in the year ended December 31, 2020. The decrease in Adjusted EBITDA was driven by increased operating costs and input costs, including freight and energy, partly offset by increased volumes.

Financing and Investment Activity

2021

On March 12, 2021, the Ardagh Group, in connection with the Business Combination, issued €450 million 2.000% Senior Secured Notes due 2028, $600 million 3.250% Senior Secured Notes due 2028, €500 million 3.000% Senior Notes due 2029 and $1,050 million 4.000% Senior Notes due 2029. Details related to the transaction and use of proceeds from this issuance are outlined in note 1 – General information.

On August 15, 2021, the Ardagh Group redeemed in full the remaining outstanding $800 million 6.000% Senior Notes due 2025 and paid applicable redemption premiums and accrued interest.

Lease obligations at December 31, 2021 of $440 million (December 31, 2020: $366 million), primarily reflects $202 million of new lease liabilities, offset by $128 million of principal repayments and foreign currency movements in the year ended December 31, 2021.

At December 31, 2021 the Ardagh Group had $792 million available under the Global Asset Based Loan Facilities. On April 1, 2021, the Ardagh Group reduced the size of Global Asset Based Loan Facility from $700 million to $500 million in connection with the designation of the AMP Entities as unrestricted subsidiaries. On August 6, 2021, AMP and certain of its subsidiaries entered into a Global Asset Based Loan Facility in the amount of $300 million. The amount increased to $325 million on September 29, 2021. The Ardagh Group's $500 million Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.

2020

On April 8, 2020, the Ardagh Group issued $500 million 5.250% Senior Secured Notes due 2025 and on April 9, 2020, the Ardagh Group issued $200 million add-on 5.250% Senior Secured Notes due 2025. Net proceeds from the issuance of the notes were used to redeem in full a $300 million term loan credit facility on April 8, 2020 and for general corporate purposes.

On June 2, 2020, the Ardagh Group issued $1,000 million 5.250% Senior Notes due 2027. The notes are non-fungible mirror notes to the $800 million 5.250% Senior Notes due 2027, issued in August 2019. The net proceeds from the issuance of the notes were used to repurchase, by means of a tender and consent offer, approximately $900 million of the $1,700 million 6.000% Senior Notes due 2025, together with applicable redemption premium and accrued interest.

On June 4, 2020, the Ardagh Group issued $715 million add-on 4.125% Senior Secured Notes due 2026. The notes are an add-on to the $500 million 4.125% Senior Secured Notes due 2026, issued in August 2019. Proceeds from the issuance of the notes, net of expenses, were used to redeem in full the $695 million 4.250% Senior Secured Notes due 2022, together with applicable redemption premium and accrued interest.

On June 10, 2020, the Ardagh Group issued €790 million 2.125% Senior Secured Notes due 2026. The notes are non-fungible mirror notes to the 2.125% Senior Secured Notes due 2026, issued in August 2019. Proceeds from the issuance of the notes, net of expenses, were used to redeem in full the €741 million 2.750% Senior Secured Notes due 2024, together with applicable redemption premium and accrued interest.

On October 23, 2020, the Ardagh Group launched a consent solicitation for consents from holders of the £400m 4.750% Senior Notes due 2027, to approve certain amendments to the Notes indentures. On November 4, 2020, the Ardagh Group obtained majority consents in connection with this consent solicitation.

Lease obligations at December 31, 2020, of $366 million primarily reflect $86 million of new lease liabilities and $9 million of unfavourable foreign currency movements, partly offset by $93 million of principal repayments in the year ended December 31, 2020.

At December 31, 2020 the Ardagh Group had $599 million available under the Global Asset Based Loan Facility.

Events subsequent to the reporting period

Exchange offer toggle notes

On December 15, 2021, ARD Finance S.A. commenced a tender offer to holders of the Toggle Notes to use approximately $485 million (equivalent) towards the repurchase of its outstanding Toggle Notes. Based on the prevailing exchange rate as of the expiration date on January 14, 2022 , the total amount available in escrow to fund the repurchases, including premium and accrued and unpaid interest was $486 million (equivalent) (the "Maximum Escrow Offer Acceptance Amount"). In accordance with the tender offer, ARD Finance S.A. made pro rata allocations for amounts accepted for repurchase up to the Maximum Escrow Offer Acceptance Amount and applied amounts in excess to the Maximum Escrow Offer Acceptance Amount on a discretionary basis. As a result, on January 19, 2022 €204 million were redeemed from the Euro Toggle Notes and $235 million were redeemed from the Dollar Toggle Notes.

Global Asset Based Loan Facility Extension

The Ardagh Group's $500 million Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.

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 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. Net debt to Adjusted EBITDA ratio for the year ended December 31, 2020 of 6.9x, is based on net debt at December 31, 2020 of $8,010 million and reported Adjusted EBITDA for the Group for the year ended December 31, 2020 of $1,155 million.

(8) Net interest expense is as set out in Note 5 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.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors and Officers

The following table sets forth certain information with respect to members of the board of directors of ARD Finance S.A. (the "Board") as of April 14, 2022, the approval date of these consolidated financial statements.

Name	Age	Position	Expiration of current directorship term
Paul Coulson	69	Chairman and Chief Executive Officer	2027
John Sheehan	56	Chief Financial Officer and Director	2022
Yves Elsen	64	Director	2026
Hermanus Troskie	51	Director	2027

Composition of Our Board of Directors

Our board of directors currently consists of 4 members. Our board of directors consists of such number of directors as the general meeting of shareholders may from time to time determine.

Paul Coulson

Paul Coulson graduated from Trinity College Dublin with a business degree in 1973. He spent five years with Price Waterhouse in London and Dublin and qualified as a Chartered Accountant in 1978. He then established his own accounting firm before setting up Yeoman International in 1980 and developing it into a significant leasing and structured finance business. In 1998 he became Chairman of the Group and initiated the transformation of Ardagh from a small, single plant operation into a leading global packaging company. Over the last 30 years he has been involved in the creation and development of a number of businesses apart from Yeoman and Ardagh. These include Fanad Fisheries, a leading Irish salmon farming company, and Sterile Technologies. Prior to its sale to Stericycle, Inc. in 2006, Sterile Technologies had been developed into the leading medical waste management company in the United Kingdom and Ireland.

John Sheehan

John Sheehan was appointed Chief Financial Officer and Director of Ardagh Group S.A in 2021, having previously been Director of Corporate Development and Investor Relations. Prior to joining Ardagh in 2012, Mr. Sheehan spent twelve years in the equity capital markets with Investec, RBS and NCB, covering a range of sectors. Mr. Sheehan qualified as a Chartered Accountant with PriceWaterhouseCoopers.

Yves Elsen

Yves Elsen is CEO and managing partner of HITEC Luxembourg S.A., a Luxembourg-based industrial and technology company serving contractors in over 20 countries around the world. Prior to this, Mr. Elsen founded and led SATLYNX S.A.., following extensive experience with listed satellite operator SES—Société Européenne des Satellites S.A. He was a member of the supervisory board of Villeroy & Boch AG from 2013 to 2019 and its Chairman from 2017. Mr. Elsen is Chairman of the board of governors of the University of Luxembourg. Mr. Elsen joined the Board in 2020.

Hermanus Troskie

Hermanus Troskie has been a director of Ardagh since 2009. Mr. Troskie is the CEO of Corporate, Legal and Tax Advisory at Stonehage Fleming, the international Family Office. He has extensive experience in the areas of international corporate structuring, cross-border financing and capital markets, with a particular interest in integrated structuring for entrepreneurs and their businesses. Mr. Troskie is a director of companies within the Yeoman group of companies, and other private and public companies. He qualified as a South African Attorney in 1997, and as a Solicitor of the Senior Courts of England and Wales in 2001. Mr. Troskie is based in Luxembourg.

Number and Election of Directors

Pursuant to Luxembourg Law, the board of directors must be composed of at least three directors. The holders of the shares have the right to elect the board of directors at a general meeting of shareholders by a simple majority of the votes validly cast. The existing directors have the right to appoint persons to fill vacancies, which persons may hold office until the next following annual general meeting.

Board of Directors Powers and Function

The board of directors has the power to take any action necessary or useful to realize the corporate objects of the Company, with the exception of the powers reserved by Luxembourg Law or by the Articles to the general meeting of shareholders. Directors must act with diligence and in good faith in performing their duties. The expected behavior of a director is that of a normally prudent person, in a like position, having the benefit, when making such a decision, of the same knowledge and information as the directors having made the decision.

Board of Directors Meetings and Decisions

We expect that all of the resolutions of the board of directors will be adopted by a simple majority of votes cast in a meeting at which a quorum is present or represented by proxy. A member of the board of directors may authorize another member of the board of directors to represent him/her at the board meeting and to vote on his/her behalf at the meeting.

Our board of directors meets as often as it deems necessary to conduct the business of the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR CONSOLIDATED NON STATUTORY FINANCIAL STATEMENTS

The directors are responsible for preparing the consolidated non statutory financial statements in accordance with applicable law and regulations.

The consolidated non statutory financial statements are required to present fairly, in all material respects a view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the consolidated financial statements comply with IFRS as adopted by the International Accounting Standards Board ("IASB"); and
- prepare the consolidated non statutory financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the consolidated non statutory financial statements. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website at: /www.ardholdings-sa.com/.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the consolidated non statutory financial statements comply with Luxembourg Law. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

QUANTITATIVE AND QUALITATIVE DISCLOSURES OF MARKET RISK

The Group's activities expose it to a variety of financial risks: capital risk, interest risk, currency exchange risk, commodity price risk, credit risk and liquidity risk.

Capital structure and risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and provide returns to its shareholders. The Group funds its operations primarily from the following sources of capital: borrowings, cash flow and shareholders' capital. The Group aims to achieve a capital structure that results in an appropriate cost of capital to accommodate material investments or acquisitions, while providing flexibility in short and medium term funding. The Group also aims to maintain a strong balance sheet and to provide continuity of financing by having a range of maturities and borrowing from a variety of sources.

The Group's overall treasury objectives are to ensure sufficient funds are available for the Group to carry out its strategy and to manage certain financial risks to which the Group is exposed, details of which are provided below. The Group's finance committee reviews and monitors the capital structure, financial policies and treasury function of the Company in addition to advising the board of directors on whether to approve financing agreements or arrangements.

Financial risks are managed on the advice of Group Treasury and senior management in conjunction with the finance committee. The Group does not permit the use of treasury instruments for speculative purposes, under any circumstances. Group Treasury regularly reviews the level of cash and debt facilities required to fund the Group's activities, plans for repayment and refinancing of debt, and identifies an appropriate amount of headroom to provide a reserve against unexpected funding requirements.

The Group's long term liquidity needs primarily relate to the servicing of our debt obligations. We expect to satisfy our future long term liquidity needs through a combination of cash flow generated from operations and, where appropriate, to refinance our debt obligations in advance of their respective maturity dates as we have successfully done in the past. The Group generates substantial cash flow from our operations on an annual basis. The Group had $3,049 million in cash, cash equivalents and restricted cash as of December 31, 2021, as well as available but undrawn liquidity of $793 million under its credit facilities.

Additionally, financial instruments, including derivative financial instruments, are used to hedge exposure to interest rate, currency exchange risk and commodity price risk.

One of the Group's key metrics has been the ratio of consolidated external net debt as a multiple of 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. As at December 31, 2021 the ratio was 6.4x (2020: 6.9x).

Interest rate risk

The Board's policy, in the management of interest rate risk, is to strike the right balance between the Group's fixed and floating rate financial instruments, which occasionally includes the use of cross currency and interest rate swaps. The balance struck by the Board is dependent on prevailing interest rate markets at any point in time.

At December 31, 2021, the Group's external borrowings were 100% (2020: 92.2%) fixed, with a weighted average interest rate of 4.3% (2020: 4.7%). The weighted average interest rate for the Group for the year ended December 31, 2021 was 4.2% (2020: 4.4%).

Holding all other variables constant, including levels of the Group's external indebtedness, at 31 December 2021 a one percentage point increase in variable interest rates would increase interest payable by approximately $nil (2020: $11 million).

Currency exchange risk

The Group presents its consolidated financial information in U.S. dollar. The functional currency of the Company is the euro.

The Group operates in 12 countries, across three continents and its main currency exposure in the year to December 31, 2021, from the euro functional currency, was in relation to the U.S. dollar, British pound, Swedish krona, Polish zloty, Danish

krone and Brazilian real. Currency exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

As a result of the consolidated financial statements being presented in U.S dollar, the Group's results are also impacted by fluctuations in the U.S. dollar exchange rate versus the euro.

The Group has a limited level of transactional currency exposure arising from sales or purchases by operating units in currencies other than their functional currencies.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed where possible primarily through borrowings and swaps denominated in the Group's principal foreign currencies.

Fluctuations in the value of these currencies with respect to the euro functional currency may have a significant impact on the Group's financial condition and results of operations. The Group believes that a strengthening of the euro exchange rate (the functional currency) by 1% against all other foreign currencies from the December 31, 2021 rate would decrease shareholders' equity by approximately $7 million (2020: $11 million decrease).

Commodity price risk

The Group is exposed to changes in prices of our main raw materials, primarily aluminium and energy. Production costs in Ardagh Metal Packaging are exposed to changes in prices of our main raw materials, primarily aluminum. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/ euro rate also affect the euro cost of aluminum ingot. The price and foreign currency risk on the aluminum purchases in Ardagh Metal Packaging Europe and Ardagh Metal Packaging Americas are hedged where required by entering into swaps under which we pay fixed euro and U.S. dollar prices, respectively. Furthermore, the relative price of oil and its by-products may materially impact our business, affecting our transport, lacquer and ink costs.

Where we do not have pass through contracts in relation to the underlying metal raw material cost the Group uses derivative agreements to manage this risk. The Group depends on an active liquid market and available credit lines with counterparty banks to cover this risk. The use of derivative contracts to manage our risk is supported by robust hedging procedures. Increasing raw material costs over time has the potential, if we are unable to pass on price increases, to reduce sales volume and could therefore have a significant impact on our financial condition. The Group is also exposed to possible interruptions of supply of aluminum and steel or other raw materials and any inability to purchase raw materials could negatively impact our operations.

Production costs in Ardagh Glass Packaging are sensitive to the price of energy. Our main energy exposure is to the cost of gas and electricity. These energy costs have experienced significant volatility in recent years with a corresponding effect on our production costs. In terms of gas, which represents 50% of our energy costs, there is a continuous decoupling between the cost of gas and oil, whereby now only significant changes in the price of oil have an impact on the price of gas. The volatility in gas pricing is driven by shale gas development (United States only), the availability of liquefied natural gas in Europe, as both Europe and Asia compete for shipments and storage, wind and solar intensity levels, as well as geopolitical events. Volatility in the price of electricity is caused by developments in renewable energy policies, including in Germany, the phasing out of nuclear generating capacity, fluctuations in the price of gas and coal, the influence of carbon dioxide costs on electricity prices, as well as geopolitical events. The impact of Europe's dependence on Russia for natural gas supply has been evident by the extreme rise in price, as a result of reduced gas flows in the second half of 2021 arising from political tensions between Russia and Ukraine.

As a result of the volatility of gas and electricity prices, the Group has included energy pass through clauses in our sales contracts where possible. Where pass through contracts do not exist, the Group has developed an active risk management strategy by either hedging with a bank or entering into forward price fixing arrangements with suppliers for the bulk of our anticipated requirements for the year ahead. Such arrangements are used exclusively to obtain delivery of our anticipated energy supplies. The Group does not net settle, nor do we sell within a short period of time after taking delivery. The Group avails of the own use exemption and, therefore, these contracts are treated as executory contracts.

The Group typically builds up these contractual positions in tranches of approximately 10% of the anticipated volumes. Any gas and electricity which is not purchased under forward price fixing arrangements is purchased under index tracking contracts or at spot prices.

Credit risk

Credit risk arises from derivative contracts, cash and deposits held with banks and financial institutions, as well as credit exposures to the Group's customers, including outstanding receivables. Group policy is to invest its excess liquidity only with recognized and reputable financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "BBB+" from at least two credit rating agencies are accepted, where possible. The credit ratings of banks and financial institutions are monitored to ensure compliance with Group policy. Risk of default is controlled within a policy framework of dealing with high quality institutions and by limiting the amount of credit exposure to any one bank or institution.

Group policy is to extend credit to customers of good credit standing. Credit risk is managed on an ongoing basis, by experienced personnel within the Group. The Group's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilization of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended 31 December 2021, the Group's ten largest customers accounted for approximately 44% of total revenues (2020: 45%). There is no recent history of default with these customers.

Surplus cash held by the operating entities over and above their short term requirements is transferred to Group Treasury, where possible. Group Treasury invests surplus cash in interest bearing current accounts, money market funds and bank time deposits with appropriate maturities to provide sufficient headroom as determined by the below mentioned forecasts.

Liquidity risk

The Group is exposed to liquidity risk which arises primarily from the maturing of short term and long term debt obligations and from the normal liquidity cycle of the business throughout the course of a year. In the near term, the Group is also exposed to liquidity risk relating to its growth investment initiates. The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due.

To effectively manage liquidity risk, the Group:

- has committed borrowing facilities that it can access to meet liquidity needs;
- maintains cash balances and liquid investments with highly rated counterparties;
- limits the maturity of cash balances;
- borrows the bulk of its debt needs under long term fixed rate debt securities; and
- has internal control processes to manage liquidity risk

Cash flow forecasting is performed in the Group's operating entities, and is aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plan.

Report of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Board of Directors of ARD Finance S.A.

Opinion on the Non-Statutory Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of ARD Finance S.A. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended, including the related notes (collectively referred to as the "non-statutory consolidated financial statements"). In our opinion, the non-statutory consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These non-statutory consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's non-statutory consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the relevant ethical requirements relating to our audit, which include the Code of Ethics issued by Chartered Accountants Ireland ("CAI").

We conducted our audits of these non-statutory consolidated financial statements in accordance with the auditing standards of the PCAOB and in accordance with the ethical requirements of the Code of Ethics issued by CAI. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-statutory consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the non-statutory consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the non-statutory consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the non-statutory consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Use of this report

This report, including the opinion, has been prepared for and only for the Company's directors as a body in accordance with our engagement letter dated March 24, 2022 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the non-statutory consolidated financial statements that were communicated or required to be communicated to the board of directors and that (i) relate to accounts or disclosures that are material to the non-statutory consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the non-statutory consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill Impairment Assessment for the Glass Packaging North America Cash Generating Unit

As described in Note 2 and Note 8 to the non-statutory consolidated financial statements, the Company's consolidated goodwill balance was $1,237 million at December 31, 2021. The goodwill associated with the Glass Packaging North America Cash Generating Unit ("CGU") was $165 million after the recognition of an impairment charge of $395 million at December 31, 2021. The Company performs its impairment test of goodwill annually following approval of the annual budget or whenever indicators suggest that impairment may have occurred. If an impairment indicator exists for a CGU, the Company establishes the recoverable amount as being the higher of the value in use ("VIU") and fair value less costs of disposal ("FVLCD") when compared to the carrying value of the CGU. At December 31, 2021, management has determined the recoverable amount of the Glass Packaging North America CGU by assessing the FVLCD of the underlying assets using a market approach, on the basis that this gave a higher recoverable amount than an assessment based on VIU. Management's key assumptions in the FVLCD calculations for the Glass Packaging North America CGU included adjustments to forecasted full year 2022 results for projected inflationary input costs increases and the extent to which these can be recovered from customers, increases in available production capacity, and the effects of future restructuring as part of estimating the projected Adjusted EBITDA from a market participant's perspective. A multiple of 6.5x was then applied to the market participant projected Adjusted EBITDA, based on comparable companies and market transactions, which was further adjusted for selling costs.

The principal considerations for our determination that performing procedures relating to goodwill impairment assessment for the Glass Packaging North America CGU is a critical audit matter are the significant judgment exercised by management when developing the recoverable amount of the CGU and in calculating the impairment charge. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's FVLCD calculations and significant assumptions, related to projected inflationary input costs increases and the extent to which these can be recovered from customers, increases in available production capacity and the effects of future restructuring in estimating the projected Adjusted EBITDA from a market participant's perspective, and the EBITDA multiple used in the impairment test. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the non-statutory consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over management's forecasting process used in the valuation of the Glass Packaging North America CGU and over the FVLCD model. These procedures also included, among others, testing management's process for developing the recoverable amount; testing the completeness, accuracy, and relevance of the model, the underlying data used in the calculations and management's disclosures; and evaluating the significant assumptions used by management, including the projected inflationary input cost increases and the extent to which these can be recovered from customers, increases in available production capacity and the effects of

future restructuring as part of estimating the projected adjusted EBITDA from a market participant's perspective, and the EBITDA multiple applied in the impairment calculation. Evaluating management's significant assumptions involved (i) performing a retrospective comparison of forecasted results to actual past performance, (ii) comparing significant assumptions to external market and industry data, and (iii) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the EBITDA multiple.

Accounting for the merger with Gores Holdings V. under IFRS 2 and measurement of the resulting non-controlling interest in AMPSA

As described in notes 1, 21 and 24 to the non-statutory consolidated financial statements, on August 4, 2021, the Company consummated a merger by and among the Company, Ardagh Metal Packaging ("AMPSA"), Ardagh MP MergeCo Inc., a wholly owned subsidiary of AMPSA ("MergeCo") and Gores Holdings V Inc, ("GHV") under which the business of AMPSA was merged with that of GHV. The merger was accounted for under the scope of IFRS 2 Share-based Payment ("IFRS 2"). Management exercised significant judgment when accounting for the transaction under IFRS 2. Management used the market value of the GHV equity and warrants as the basis for estimating the market value of the instruments to be issued by AMPSA in exchange for the shares and warrants in GHV. All warrants previously exercisable for the purchase of shares in GHV were converted into AMPSA warrants and recognized as a financial liability measured at fair value. For the warrants issued to the former sponsors ("Private Warrants") a valuation was performed for the purpose of determining the financial liability. The valuation applied a Black Scholes model and key assumptions of the model included volatility and risk-free rate. The difference in the fair value of the equity instruments issued by AMPSA, over the fair value of the identifiable net assets of GHV of $205 million represents the cost of the service for listing the shares of AMPSA and is accounted for as a share-based payment expense in accordance with IFRS 2 at the closing date of the merger. Immediately following the consummation of the Merger and PIPE subscription, the Company held approximately 81.8% of AMPSA's issued shares. Management applied judgment in determining whether the resulting non-controlling interest in AMPSA ("NCI") should be measured at fair value or at the proportionate share of identifiable net assets. Management elected to measure the NCI as its proportionate share of AMPSA's net assets at the acquisition date. The NCI is not remeasured at fair value in subsequent periods but is allocated its share of profit or loss and its share of Other Comprehensive Income, including recognizing its share of the IFRS 2 charge.

The principal considerations for our determination that performing procedures relating to the *Accounting for the merger with Gores Holdings V. under IFRS 2 measurement of the resulting non-controlling interest in AMPSA* is a critical audit matter are the significant judgment exercised by management in 1) concluding that the accounting for the transaction was within the scope of IFRS 2, 2) estimating the market value of the instruments to be issued by AMPSA as consideration for the Merger, 3) determining the fair value of the GHV Private Warrants assumed including the significant assumptions of volatility and risk-free rate, and 4) measuring the NCI using the proportionate share of identifiable net assets . This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's accounting for the transaction and assessing the reasonableness of estimates. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the non-statutory consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's review of the determination of NCI, and that the

allocation of its share of profit or loss and OCI has been correctly accounted for. Our procedures also included, among others, assessing management's conclusions that the accounting for the transaction was within the scope of IFRS2 including reading the relevant agreements. Procedures to assess the valuation of the GHV Private Warrants included developing an independent point estimate, testing the underlying data used in the calculations and evaluating the significant assumptions, including volatility and risk-free rate. Evaluating management's estimates of the instruments to be issued by AMPSA involved (i) comparing significant estimates to external market data, and (ii) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of management's accounting conclusions and of the fair value calculation model and the significant assumptions related to volatility and risk-free rate. Other procedures performed included testing management's process for estimating the market value of the GHV net assets and identifying the proportionate share of AMPSA's net assets at the acquisition date. Evaluating management's assessment of the measurement of NCI involved (i) assessing the components of the assets acquired and the liabilities disposed; and (ii) identifying the proportionate share of AMPSA's net assets attributable to the non-controlling interest.

PricewaterhouseCoopers
Dublin, Ireland
April 14th 2022

We have served as the Company's auditor since at least 1968. We have not been able to determine the specific year we began serving as auditor of the Company or its predecessors.

Consolidated Financial Statements

ARD FINANCE S.A.
CONSOLIDATED INCOME STATEMENT

	Note	Year ended December 31, 2021			Year ended December 31, 2020		
		Before exceptional items $'m	**Exceptional Items $'m**	**Total $'m**	**Before exceptional items $'m**	**Exceptional Items $'m**	**Total $'m**
			Note 4			**Note 4**	
Revenue	3	7,577	—	7,577	6,731	—	6,731
Cost of sales		(6,469)	(34)	(6,503)	(5,679)	(19)	(5,698)
Gross profit		**1,108**	**(34)**	**1,074**	**1,052**	**(19)**	**1,033**
Sales, general and administration expenses		(372)	(422)	(794)	(350)	(31)	(381)
Intangible amortization and impairment	8	(237)	(395)	(632)	(235)	(8)	(243)
Operating (loss)/profit		**499**	**(851)**	**(352)**	**467**	**(58)**	**409**
Net finance expense	5	(455)	(27)	(482)	(375)	(74)	(449)
Share of post-tax loss in equity accounted joint venture	11	(30)	(25)	(55)	(33)	(15)	(48)
Loss before tax		**14**	**(903)**	**(889)**	**59**	**(147)**	**(88)**
Income tax credit/(charge)	6	(46)	64	18	(63)	53	(10)
Loss from continuing operations		**(32)**	**(839)**	**(871)**	**(4)**	**(94)**	**(98)**
Profit from discontinued operation	26	–	–	–	–	22	22
Loss for the year		**(32)**	**(839)**	**(871)**	**(4)**	**(72)**	**(76)**
Loss attributable to:							
Equity holders				(820)			(79)
Non-controlling interests				(51)			3
Loss for the year				**(871)**			**(76)**

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

ARD FINANCE S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended December 31, 2021 $'m	2020 $'m
Loss for the year		**(871)**	**(76)**
Other comprehensive income/(expense):			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
—Arising in the year		71	(174)
		71	**(174)**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		193	(24)
—Movement out of reserve to income statement		(45)	53
—Movement in deferred tax		(12)	(7)
		136	**22**
Loss recognized on cost of hedging:			
—New fair value adjustments into reserve		(1)	—
—Movement out of reserve		(5)	—
		(6)	**—**
Share of other comprehensive (expense)/income in equity accounted joint venture	11	**(15)**	**26**
Items that will not be reclassified to income statement			
—Re-measurement of employee benefit obligations	20	211	(68)
—Deferred tax movement on employee benefit obligations		(34)	24
		177	**(44)**
Share of other comprehensive income in equity accounted joint venture	11	**10**	**3**
Total other comprehensive income/(expense) for the year		**373**	**(167)**
Total comprehensive expense for the year		**(498)**	**(243)**
Attributable to:			
Equity holders		(478)	(242)
Non-controlling interests		(20)	(1)
Total comprehensive expense for the year		**(498)**	**(243)**
Attributable to equity holders:			
Continuing operations		(498)	(265)
Discontinued operation		–	22
Total comprehensive expense for the year		**(498)**	**(243)**

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

ARD FINANCE S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At December 31, 2021 $'m	At December 31, 2020 $'m
Non-current assets			
Intangible assets	8	2,065	2,756
Property, plant and equipment	9	3,696	2,945
Derivative financial instruments	19	12	9
Deferred tax assets	12	217	245
Investment in material joint venture	11	303	390
Related party loan receivable	23	322	322
Employee Benefit assets	20	78	—
Other non-current assets	10	28	73
		6,721	**6,740**
Current assets			
Inventories	13	1,103	923
Trade and other receivables	14	1,189	869
Contract assets	15	182	139
Derivative financial instruments	19	110	37
Related party loan receivable	23	13	10
Cash and cash equivalents	16	2,906	1,292
Restricted cash and cash equivalents	16	143	6
		5,646	**3,276**
TOTAL ASSETS		**12,367**	**10,016**
Equity attributable to owners of the parent			
Issued capital	17	—	—
Other reserves		410	151
Retained earnings		(2,788)	(2,478)
		(2,378)	**(2,327)**
Non-controlling interests		(38)	(21)
TOTAL EQUITY		**(2,416)**	**(2,348)**
Non-current liabilities			
Borrowings	19	10,504	8,823
Lease obligations	19	341	283
Employee benefit obligations	20	637	811
Derivative financial instruments	19	4	26
Deferred tax liabilities	12	307	369
Provisions and other liabilities	21	90	55
		11,883	**10,367**
Current liabilities			
Borrowings	19	16	14
Lease obligations	19	99	83
Interest payable		52	43
Derivative financial instruments	19	14	104
Trade and other payables	22	2,190	1,583
Income tax payable		116	115
Provisions	21	51	55
Dividend Payable to shareholders		362	—
		2,900	**1,997**
TOTAL LIABILITIES		**14,783**	**12,364**
TOTAL EQUITY and LIABILITIES		**12,367**	**10,016**

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

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

	Attributable to the owner of the parent									
	Share capital $'m Note 17	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, 2020	**—**	**—**	**242**	**(11)**	**11**	—	**(2,320)**	**(2,078)**	**(9)**	**(2,087)**
(Loss)/profit for the year	—	—	—	—	—	—	(79)	(79)	3	(76)
Other comprehensive (expense)/income	—	—	(154)	27	1	—	(37)	(163)	(4)	(167)
Hedging losses transferred to cost of inventory	—	—	—	25	—	—	—	25	—	25
Capital contribution received from parent company	—	10	—	—	—	—	—	10	—	10
Dividends paid (Note 17)	—	—	—	—	—	—	(42)	(42)	—	(42)
Dividends by subsidiary to non-controlling interest (Note 17)	—	—	—	—	—	—	—	—	(11)	(11)
At December 31, 2020	**—**	**10**	**88**	**41**	**12**	**—**	**(2,478)**	**(2,327)**	**(21)**	**(2,348)**
At January 1, 2021	**—**	**10**	**88**	**41**	**12**	—	**(2,478)**	**(2,327)**	**(21)**	**(2,348)**
Loss for the year	—	—	—	—	—	—	(820)	(820)	(51)	(871)
Other comprehensive income/(expense)	—	—	53	121	(5)	—	173	342	31	373
Hedging gains transferred to cost of inventory	—	—	—	(77)	—	—	—	(77)	(12)	(89)
Business combination - Non-controlling interest (Note 1, Note 24)	—	—	—	—	—	—	865	865	57	922
Business combination - Listing service (Note 24)	—	—	—	—	—	164	—	164	—	164
Share exchange offer - Non-controlling interest: (Note 17, Note 24)	—	—	—	—	—		(8)	(8)	3	(5)
Re-attribution upon change-in non-controlling interest (Note 24)	—	—	3	—	—	—	—	3	(3)	—
Dividends (Note 17)	—	—	—	—	—	—	(520)	(520)	—	(520)
Dividends by subsidiary to non-controlling interest (Note 17)	—	—	—	—	—	—	—	—	(42)	(42)
At December 31, 2021	**—**	**10**	**144**	**85**	**7**	**164**	**(2,788)**	**(2,378)**	**(38)**	**(2,416)**

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

ARD FINANCE S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended December 31, 2021 $'m	2020 $'m
Cash flows from operating activities			
Cash generated from continuing operations	25	959	1,037
Interest paid		(466)	(447)
Interest received [(i)]		36	18
Income tax paid		(62)	(49)
Net cash from operating activities		**467**	**559**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1,045)	(532)
Purchase of intangible assets		(22)	(12)
Proceeds from disposal of property, plant and equipment		1	1
Purchase of business, net of cash acquired, and other		(16)	(3)
Loan issued to related party	23	(13)	(25)
Loan repaid by related party	23	—	42
Investing cash flows used in continuing operations		**(1,095)**	**(529)**
Proceeds from disposal of discontinued operation		—	32
Net cash used in investing activities		**(1,095)**	**(497)**
Cash flows from financing activities			
Proceeds from borrowings	19	2,766	4,068
Repayment of borrowings	19	(801)	(3,261)
Proceeds from issuance of non-controlling interest, net of costs	24	925	—
Costs paid in conjunction with exchange offer	24	(4)	—
Early redemption premium paid		(24)	(61)
Deferred debt issue costs paid		(40)	(41)
Lease payments		(116)	(93)
Dividends paid by subsidiary to non-controlling interest	17	(32)	(11)
Dividends paid to parent company	17	(166)	(42)
Capital contribution received from parent company		—	10
Consideration paid on maturity of derivative financial instruments	19	(72)	—
Reclassification to restricted cash		(137)	(6)
Net cash inflow from financing activities		**2,299**	**563**
Net increase in cash and cash equivalents		**1,671**	**625**
Cash and cash equivalents at the beginning of the year	16	1,292	663
Exchange (loss)/gain on cash and cash equivalents		(57)	4
Cash and cash equivalents at the end of the year	16	**2,906**	**1,292**

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

(i) Interest received for the year ended December 31, 2021, includes related party interest received of $32 million (2020: $14 million).

Notes to the Consolidated Financial Statements

ARD FINANCE S.A.
NOTES TO THE CONSOLIDATED 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 December 31, 2021 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. 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. (“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.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 February 22, 2021, Ardagh announced its entry into a business combination agreement (the “Business Combination Agreement”), dated as of February 22, 2021, by and among Ardagh, Ardagh Metal Packaging, Ardagh MP MergeCo Inc., a newly formed Delaware corporation that is a wholly-owned subsidiary of AMP and Gores Holdings V Inc. (“Gores Holdings V”), pursuant to which the parties thereto agreed to effect the merger of Ardagh MP MergeCo Inc. with and into Gores Holdings V, with Gores Holdings V being the surviving corporation as a wholly-owned subsidiary of AMP (the “Merger”, and, together with the other transactions contemplated in the Business Combination Agreement, the “Business Combination”) to create an independent, pure-play beverage can company.

In connection with the Business Combination, on March 12, 2021, two affiliates of AMP (the “Co-Issuers”) issued green bonds of $2.8 billion equivalent, consisting of €450 million 2.000% Senior Secured Notes due 2028, $600 million 3.250% Senior Secured Notes due 2028, €500 million 3.000% Senior Notes due 2029 and $1,050 million 4.000% Senior Notes due 2029 (the “AMP Notes Issuance”). In connection with the AMP Notes Issuance, the Ardagh Group designated the Co-Issuers and subsidiaries of AMP as unrestricted subsidiaries under its bond indentures and the Global Asset Based Loan Facility, and on April 1, 2021, the Ardagh Group reduced the size of Global Asset Based Loan Facility from $700 million to $500 million in connection with such designation.

In connection with the Business Combination, the Ardagh Group effected on April 1, 2021 a series of transactions that resulted in (a) the equity interests of Ardagh Packaging Holdings Limited, an Irish subsidiary of the Ardagh Group, and certain other subsidiaries of the Ardagh Group that are engaged in the metal beverage can business (the “AMP Business”) being directly or indirectly owned by Ardagh Metal Packaging (all such entities collectively, the “AMP Entities”) and (b) any assets and liabilities relating to the business of the Ardagh Group (other than the AMP Business) that are held by the AMP Entities being transferred to subsidiaries of the Ardagh Group that are not AMP Entities, and assets and liabilities relating to the AMP Business that are held by subsidiaries of the Ardagh Group (other than the AMP Entities) being transferred to the AMP Entities (such transactions, collectively, the “AMP Transfer”).

On August 4, 2021, in accordance with the terms of the Business Combination Agreement, the parties consummated the Merger and, pursuant to the terms of subscription agreements dated February 22, 2021, among AMP, Gores Holdings V and certain investors in a private placement (the “PIPE Investors”), the PIPE Investors subscribed for and purchased shares of AMP at a purchase price of $10 per share, for an aggregate cash amount of $695 million (the “PIPE Investment”), which included 9.5 million of shares acquired pursuant to the “back stop” provisions of the subscription agreement entered into by the Gores Holdings V sponsor. In addition, at the closing of the Merger all shares of Gores Holdings V Class A common stock outstanding immediately prior to the effective time of the Merger (after giving effect to any requested stockholder redemptions) were contributed to AMP in exchange for newly issued AMP shares, and all warrants exercisable for the purchase of shares in Gores Holdings V were converted into warrants exercisable for the purchase of shares in AMP. Following the consummation of the Merger and PIPE subscription, Ardagh held approximately 81.8% of the issued share capital of AMP.

On September 7, 2021, Ardagh launched an exchange offer, pursuant to which it offered 2.5 shares of AMP in exchange for each Class A common shares of Ardagh that was validly tendered and not withdrawn at the closing of the exchange offer on October 5, 2021. Approximately 84% of the total outstanding Class A common shares of Ardagh were exchanged, bringing Ardagh’s ownership of AMP to approximately 75.3% and the public float to approximately 24.7%.

On October 6, 2021, Ardagh filed a Form 25 with the U.S. Securities and Exchange Commission (the “SEC”) to voluntarily delist Ardagh’s Class A common shares from the New York Stock Exchange (“NYSE”) and the Class A common shares were suspended from trading on the NYSE on October 6, 2021. Following delisting of the Class A common shares, on October 18, 2021, Ardagh filed a Form 15 with the SEC to terminate the registration of its Class A common shares under Section 12(g) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), resulting in the automatic suspension of the Company’s reporting obligations under Sections 13(a) and 15(d) of the Exchange Act.

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 transaction is subject to normal regulatory clearances, and is expected to complete in the second quarter of 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 $1,130 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 (the “Toggle Notes”, as described in Note 19) are liabilities of the Ardagh Group.

These consolidated financial statements reflect the consolidation of the legal entities forming the Group for the periods presented. The principal operating legal entities forming the Group are listed in Note 27.

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 consolidated financial statements are described in Note 2.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with, and are in compliance with, International Financial Reporting Standards (“IFRS”) and related interpretations as adopted by the International Accounting Standards Board (“IASB”). IFRS is comprised of standards and interpretations approved by the IASB 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 hereafter should be construed as references to IFRS as adopted by the IASB.

The consolidated financial statements, are presented in U.S. dollar, rounded to the nearest million and have been prepared under the historical cost convention except for the following:

- private and public warrants (see note 21)
- derivative financial instruments are stated at fair value; and
- employee benefit obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets valued at fair value.

The preparation of consolidated financial information in conformity with IFRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the process of applying Group accounting policies. These estimates, assumptions and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re evaluation. However, actual outcomes may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are discussed in the critical accounting estimates, assumptions and judgments.

The non-statutory consolidated financial statements for the Group were authorized for issue by the board of directors of ARD Finance S.A. (the “Board”) on April 14, 2022.

Going concern

At the date that the audited consolidated financial statements were approved for issue by the board of directors, 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 audited 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, April 14, 2023. 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 audited consolidated financial statements using the 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, 2021 have been assessed by the Directors and as a result, no new standards or amendments to existing standards effective January 1, 2021 have had a material impact for the Group.

Recent accounting pronouncements

The Board's 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 financial statements and disclosures is on-going but is not expected to have a material impact for the Group.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de consolidated from the date on which control ceases. Subsidiaries are all entities (including structured entities) over which the Ardagh Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is the consideration given in exchange for control of the identifiable assets, liabilities and contingent liabilities of the acquired legal entities. Acquisition-related costs are expensed and included as exceptional items within sales, general and administration expenses. The acquired net assets are initially measured at fair value. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Any goodwill and fair value adjustments are recorded as assets and liabilities of the acquired legal entity in the currency of the primary economic environment in which the legal entity operates (the "functional currency"). If the cost of acquisition is less than the fair value of the Group's share of the net assets of the legal entity acquired, the difference is recognized directly in the consolidated income statement. The Group considers obligations of the acquiree in a business combination that arise as a result of the change in control, to be cash flows arising from obtaining control of the controlled entity, and classifies these obligations as investing activities in the consolidated statement of cash flows.

(ii) Non-controlling interests

Non-controlling interests represent the portion of the equity of a subsidiary which is not attributable to the Group. Non-controlling interests are presented separately in the consolidated financial statements. Changes in ownership of a subsidiary which do not result in a change in control are treated as equity transactions. For further details please refer to Note 24.

(iii) Transactions eliminated on consolidation

Transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency

(i) Functional and presentation currency

The functional currency of the Company is euro. The consolidated financial statements are presented in U.S. dollar which is the Group's presentation currency.

(ii) Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the consolidated income statement, except: (i) differences on foreign currency borrowings that provide an effective hedge against a net investment in a foreign entity ("net investment hedges"), which are taken to other comprehensive income until the disposal of the net investment, at which time they are recognized in the consolidated income statement; and (ii) differences on certain derivative financial instruments discussed under "Derivative financial instruments" below.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into euro at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to euro at average exchange rates for the year. Gains or losses accumulated in other comprehensive income are recycled to the consolidated income statement when the foreign operation is disposed of.

Non monetary items measured at fair value in foreign currency are translated using the exchange rates as at the date when the fair value is determined.

Business combinations and goodwill

All business combinations are accounted for by applying the acquisition method of accounting. This involves measuring the cost of the business combination and allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities assumed. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in sales, general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration is recognized at fair value at the acquisition date.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to those groups of cash generating units ("CGUs") that are expected to benefit from the business combination in which the goodwill arose for the purpose of assessing impairment. Goodwill is tested annually for impairment or whenever indicators suggest that impairment may have occurred.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

Joint ventures

The Ardagh Group participates in a number of joint ventures where control is shared with one or more other parties. The Ardagh Group's investment and share of results of joint ventures are shown within single line items in the consolidated statement of financial position and consolidated income statement respectively. The Group uses the equity method of accounting to account for its joint ventures. See Note 11 "Investment in material joint venture" to the consolidated financial statements.

Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of the business, geographical area of operations or is material to revenue or operating profit and has been disposed of or is held for sale. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the earliest period presented. Cash flows relating to discontinued operations are presented as a separate line item within each of the operating, investing and financing cash flow.

Intangible assets

Intangible assets are initially recognized at cost.

Intangible assets acquired as part of a business combination are capitalized separately from goodwill if the intangible asset is separable or arises from contractual or other legal rights. They are initially recognized at cost which, for intangible assets arising in a business combination, is their fair value at the date of acquisition.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The carrying values of intangible assets with finite useful lives are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The amortization of intangible assets is calculated to write off the book value of finite lived intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. Management estimates the useful lives within the following ranges as follows:

Computer software	2 - 7 years
Customer relationships	5 - 15 years
Technology	5 - 15 years

(i) Computer software

Computer software development costs are recognized as assets. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

(ii) Customer relationships

Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships have a finite useful economic life and are carried at cost less accumulated amortization.

(iii) Technology

Technology based intangibles acquired in a business combination are recognized at fair value at the acquisition date and reflect the Group's ability to add value through accumulated technological expertise surrounding product and process development.

(iv) Research and development costs

Research costs are expensed as incurred. Development costs relating to new products are capitalized if the new product is technically and commercially feasible. All other development costs are expensed as incurred.

Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for land which is shown at cost less impairment. Spare parts which form an integral part of plant and machinery and which have an estimated useful economic life greater than one year are capitalized. Spare parts which do not form an integral part of plant and machinery and which have an estimated useful economic life less than one year are included as consumables within inventory and expensed when utilized.

Where components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

At the lease commencement date or the effective date of a lease modification, the Group recognizes a lease liability as the present value of expected future lease payments, discounted at the Ardagh Group's incremental borrowing rate unless the rate implicit in the lease is readily determinable, excluding any amounts which are variable based on the usage of the underlying asset and a right-of-use asset generally at the same amount plus any directly attributable costs. The incremental borrowing rate is the discount rate the Ardagh Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group combines lease and non-lease components and accounts for them as a single lease component with the exception of the dunnage asset class. Extension options or periods after termination options are considered by management if it is reasonably certain that the lease will be extended or not terminated..

(iii) Subsequent costs

The Group recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing the component of such an item when that cost is incurred, if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When a component is replaced the old component is de-recognized in the period. All other costs are recognized in the consolidated income statement as an expense as incurred. When a major overhaul is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria above are met.

(iv) Depreciation

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	30 - 40 years
Plant and machinery including molds	2 - 40 years
Office equipment, vehicles and other including dunnage	3 - 25 years

Assets' useful lives and residual values are adjusted if appropriate, at each balance sheet date.

Impairment of non-financial assets

Assets that have an indefinite useful economic life are not subject to amortization and are tested annually for impairment or whenever indicators suggest that impairment may have occurred. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

For the purposes of assessing impairment, assets excluding goodwill and long-lived intangible assets, are grouped at the lowest levels at which cash flows are separately identifiable. Goodwill and long-lived intangible assets are allocated to groups of CGUs. The groupings represent the lowest level at which the related assets are monitored for internal management purposes.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The recoverable amount of other assets is the greater of their value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their current location and condition. In the case of finished goods and work-in-progress, cost includes direct materials, direct labor and attributable overheads based on normal operating capacity.

Net realizable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

Spare parts which are deemed to be of a consumable nature, are included within inventories and expensed when utilized.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, borrowings, trade and other payables and the Private and Public Warrants (see Note 21). Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(i) Trade and other receivables

Trade and other receivables are recognized initially at the transaction price and are, thereafter measured at amortized cost using the effective interest rate method less any provision for impairment, in accordance with the Ardagh Group's held to collect business model. The Ardagh Group uses estimates based on expected credit losses and current information in determining the level of debts for which an allowance for impairment is required. For all other trade receivables, the Ardagh Group uses an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

Please refer to Note 14 for the recognition of an insurance recoverable.

(ii) Securitised assets

The Group has entered into securitization transactions involving certain of its trade receivables. The securitised assets are recognized on the consolidated statement of financial position, until all of the rights to the cash flows from those assets have expired or have been fully transferred outside the Ardagh Group, or until substantially all of the related risks, rewards and control of the related assets have been transferred to a third party.

The Group has also entered into a Global Asset Based Loan Facility involving certain of its trade receivables and inventory. The lenders under the ABL have security over those receivables, inventory and the bank accounts where the associated cash flows are received. The risks, rewards and control of these assets are still retained by the Group and are, therefore, recognized on the statement of financial position.

(iii) Contract assets

Contract assets represent revenue required to be accelerated or recognized over time based on production completed in accordance with the Group's revenue recognition policy (as set out below). A provision for impairment of a contract asset will be recognized when there is evidence that the revenue recognized will not be recoverable. The provision is measured based on an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

(iv) Cash and cash equivalents

Cash and cash equivalents include cash on hand and call deposits held with banks and restricted cash. Cash and cash equivalents are carried at amortized cost.

Short term bank deposits of greater than three months' maturity which do not meet the definition of cash and cash equivalents are classified as financial assets within current assets and stated at amortized cost.

Restricted cash comprises cash held by the Group but which is ring-fenced or used as security for specific financing arrangements, and to which the Group does not have unfettered access. Restricted cash is measured at amortized cost.

(v) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the Group's consolidated income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group, has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(vi) Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income, allocated between cash flow hedge gains or losses and cost of hedging gains or losses. For cash flow hedges which subsequently result in the recognition of a non-financial asset, the amounts accumulated in the cash flow hedge reserve are reclassified to the asset in order to adjust its carrying value. Amounts accumulated in the cash flow hedge reserve and cost of hedging reserve, or as adjustments to carrying value of non-financial assets, are recycled to the consolidated income statement in the periods when the hedged item will affect profit or loss.

The gain or loss relating to the ineffective portion is recognized immediately in the consolidated income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains in equity and is recognized in the consolidated income statement when the forecast cash flow arises. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

(ii) Net investment hedges

Derivative financial instruments are classified as net investment hedges when they hedge changes in the Ardagh Group's net investments in its subsidiaries due to exposure to foreign currency. Net investment hedges are accounted for in a similar manner to cash flow hedges. The gain or loss relating to the ineffective portion of a net investment hedge is recognized immediately in the consolidated income statement within finance income or expense.

(iii) Fair value hedges

Derivative financial instruments are classified as fair value hedges when they hedge the Group's exposure to changes in the fair value of a recognized asset or liability. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Group's consolidated income statement, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. Changes in the fair value of derivatives relating to the cost of hedging are recognized in other comprehensive income.

The gain or loss relating to the effective portion of derivatives with fair value hedge accounting is recognized in the consolidated income statement within "net finance expense". The gain or loss relating to the ineffective portion is also recognized in the consolidated income statement within "net finance expense". If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortized to profit or loss over the period to maturity.

When a hedging instrument expires or is sold, or when a fair value hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains in equity and is recognized in the consolidated income statement when the forecast cash flow arises. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

Fair value measurement

The Ardagh Group measures financial instruments such as derivatives and pension assets at fair value at each balance sheet date. Fair value related disclosures for financial instruments and pension assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Notes 19 and 20)
- Quantitative disclosures of fair value measurement hierarchy (Note 19)
- Financial instruments (including those carried at amortized cost) (Note 19)
- Private and Public Warrants (Note 21)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Employee benefits

(i) Defined benefit pension plans

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs and past service credits are recognized immediately in the consolidated income statement.

(ii) Other long-term employee benefits

The Group's obligation in respect of other long term employee benefit plans represents the amount of future benefit that employees have earned in return for service in the current and prior periods for post retirement medical schemes, partial retirement contracts and long service awards. These are included in the category of employee benefit obligations on the consolidated statement of financial position. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the reporting date on high quality corporate bonds of a currency and term consistent with the currency and estimated term of the obligations. Actuarial gains

and losses are recognized in full in the Group's consolidated statement of comprehensive income in the period in which they arise.

(iii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The contributions are recognized as employee benefit expense when they are due.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Revenue recognition

Our products include metal and glass containers primarily for beverage and food markets, where demand is consumer-driven. In addition to metal beverage cans, within the Ardagh Metal Packaging Europe and Ardagh Metal Packaging Americas reportable segments, the Group manufactures and supplies a wide range of can ends. Containers and ends are usually distinct items and can be sold separately from each other. A significant portion of our sales volumes are supplied under contracts which include input cost pass-through provisions.

The Group usually enters into framework agreements with its customers, which establish the terms under which individual orders to purchase goods or services may be placed. As the framework agreements do not identify each party's rights regarding the goods or services to be transferred, they do not create enforceable rights and obligations on a stand-alone basis. Therefore, the Group has concluded that only individual purchase orders create enforceable rights and obligations and meet the definition of a contract. The individual purchase orders have, in general, a duration of one year or less and, as such, the Group does not disclose any information about remaining performance obligations under these contracts. The Group's payment terms are in line with customary business practice, which can vary by customer and region. The Group has availed of the practical expedient from considering the existence of a significant financing component as, based on past experience, we expect that, at contract inception, the period between when a promised good is transferred to the customer and when the customer pays for that good will be one year or less.

Revenue is recognized when control of a good or service has transferred to the customer. For certain contracts in the Ardagh Metal Packaging Europe and Ardagh Metal Packaging Americas reportable segments, the Group manufactures products for customers that have no alternative use and for which the Group has an enforceable right to payment for production completed to date. The Group has concluded that it has such enforceable right to payment plus a reasonable margin once it receives an individual purchase order. Therefore, for such products that have no alternative use and where an enforceable right to payment exists, the Group will recognize revenue over time based on the units produced output method such that a portion of revenue, net of any related estimated rebates and cash discounts, excluding sales or value added tax, will be recognized prior to the dispatch of goods as the Group satisfies the contractual performance obligations for those contracts. For all other contracts, the Group will continue to recognize revenue primarily on dispatch of the goods, net of any related customer rebates and cash discounts, excluding sales and value added taxes.

The Group often sells products with rebates and cash discounts based on cumulative sales over a period. Such rebate and cash discount consideration is only recognized when it is highly probable that it will not be subsequently reversed and is recognized using the most likely amount depending on the individual contractual terms.

Exceptional items

The Group's consolidated income statement, cash flow and segmental analysis separately identify results before specific items. Specific items are those that in management's judgment need to be disclosed by virtue of their size, nature or incidence to provide additional information. Such items include, where significant, restructuring, redundancy and other costs relating to permanent capacity realignment or footprint reorganization, directly attributable acquisition costs and acquisition integration costs, and other transaction-related costs, profit or loss on disposal or termination of operations, start up costs incurred in relation to and associated with plant builds, significant new line investments or furnaces, major litigation costs and settlements and impairments of non current assets. In this regard the determination of "significant" as included in our definition uses qualitative and quantitative factors. Judgment is used by the Group in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Group's consolidated income statement, and related notes as

exceptional items. Management considers columnar presentation to be appropriate in the consolidated income statement as it provides useful additional information and is consistent with the way that financial performance is measured by management and presented to the Board. Exceptional restructuring costs are classified as restructuring provisions and all other exceptional costs when outstanding at the balance sheet date are classified as exceptional items payable.

Finance income and expense

Finance income comprises interest income on funds invested, gains on disposal of financial assets, ineffective portions of derivative instruments designated as hedging instruments and gains on derivative instruments that are not designated as hedging instruments and are recognized in profit or loss.

Finance expense comprises interest expense on borrowings (including amortization of deferred debt issuance costs), interest cost on leases, certain net foreign currency translation related to financing, net interest cost on net pension plan liabilities, losses on extinguishment of borrowings, ineffective portions of derivative instruments designated as hedging instruments, losses on derivative instruments that are not designated as hedging instruments and are recognized in profit or loss, and other finance expense.

The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of manufacturing plants that require a substantial period of time to build that would have been avoided if the expenditure on the qualifying asset had not been made.

Costs related to the issuance of new debt are deferred and amortized within finance expense over the expected terms of the related debt agreements by using the effective interest rate method.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the consolidated income statement except to the extent that it relates to items recognized in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are generally not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Ardagh Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Segment reporting

The Board has been identified as the Chief Operating Decision Maker (“CODM”) for the Group.

Operating segments are identified on the basis of the internal reporting regularly provided to the Board in order to allocate resources to the segment and assess its performance.

Critical accounting estimates, assumptions and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Ardagh Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill and other long-lived assets for Ardagh Glass Packaging North America

In accordance with IAS 36 "Impairment of assets" ("IAS 36"), the Group tests whether goodwill and other long lived assets for Ardagh Glass Packaging North America have suffered any impairment in accordance with the accounting policies stated. The determination of the recoverable amounts of goodwill requires the use of estimates as outlined in Note 8. The Group's judgments relating to the impairment of goodwill and other long lived assets are included in Notes 8 and 9.

(ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions and judgment is therefore required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where uncertain tax treatments exist, the Group assesses whether it is probable that a tax authority will accept the uncertain tax treatment applied or proposed to be applied in its income tax filings. The Group assesses for each uncertain tax treatment whether it should be considered independently or whether some tax treatments should be considered together based on what the Group believes provides a better prediction of the resolution of the uncertainty. The Group considers whether it is probable that the relevant authority will accept each uncertain tax treatment, or group of uncertain tax treatments, assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

The Group measures tax uncertainties using its best estimate of likely outcomes. This estimate relies on estimates and assumptions and may involve judgments about future events.

Corporate activity including acquisitions, disposals and reorganizations such as those described in Note 1 often create tax uncertainties. The Group has determined, with the benefit of opinions from external tax advisors and legal counsel, where appropriate, that it has provided for all taxation liabilities that are probable to arise from such activities.

New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes could result in incremental tax liabilities which could have a material adverse effect on cash flows, financial condition and results of operations.

Where the final tax outcome of these matters is different from the amounts that were originally estimated such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Measurement of employee benefit obligations

The Group follows guidance of IAS 19(R) to determine the present value of its obligations to current and past employees in respect of defined benefit pension obligations, other long term employee benefits, and other end of service employee benefits which are subject to similar fluctuations in value in the long term. The Group values its liabilities, with the assistance of professional actuaries, to ensure consistency in the quality of the key assumptions underlying the valuations. The critical assumptions and estimates applied are discussed in detail in Note 20.

(iv) Exceptional items

The consolidated income statement and segment analysis separately identify results before exceptional items. Exceptional items are those that in our judgment need to be disclosed by virtue of their size, nature or incidence.

The Group believes that this presentation provides additional analysis as it highlights exceptional items. The determination of "significant" as included in our definition uses qualitative and quantitative factors which remain consistent from period to period. Management uses judgment in assessing the particular items, which by virtue of their scale and nature, are disclosed in the consolidated income statement and related notes as exceptional items. Management considers the consolidated income statement presentation of exceptional items to be appropriate as it provides useful additional information and is consistent with the way that financial information is measured by management and presented to the Board. In that regard,

management believes it to be consistent with paragraph 85 of IAS 1 “Presentation of financial statements” (“IAS 1”), which permits the inclusion of line items and subtotals that improve the understanding of performance.

(v) Business combinations, goodwill and non-controlling interest and similar transactions

For each transaction the Group will assess the accounting acquirer and acquiree and whether those parties meet the definition of a business under IFRS 3, which could involve significant judgments depending on the structure of the transaction.

Goodwill only arises in business combinations, where both parties meet the definition of a business. The amount of goodwill initially recognized is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management’s judgment. Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortized, whereas indefinite lived intangible assets, including goodwill, are not amortized and could result in differing amortization charges based on the allocation to indefinite lived and finite lived intangible assets.

A transaction, where the accounting acquiree does not meet the definition of a business, is not a business combination under IFRS 3, but could be an asset acquisition or a share-based payment transaction under IFRS 2. In the later case, the difference in the fair value of consideration given by the acquirer over the fair value of identifiable net assets of the acquiree represents a service and is accounted for as a share-based payment expense. In order to estimate such fair values management might need to apply a significant amount of judgment in respect of key assumptions underlying such calculations, as outlined in more detail in Note 21 for the Private Warrants.

Transactions that result in the creation of a non-controlling interest but do not result in a change in control are treated as equity transactions. The Group will apply judgment in electing whether such non-controlling interest should be measured at fair value or at the proportionate share of identifiable net assets. For further details please refer to Note 24.

Effective August 4, 2021, the Ardagh Group S.A. retained a stake of 81.8% in AMP with the 18.2% held by external shareholders recognized as non-controlling interest separately within equity. Following the exchange offer, the stake retained by Ardagh Group S.A. reduced to 75.3% and the non-controlling interest increased to 24.7%.

The Group elected to measure the non-controlling interest at its proportionate share of AMP’s net assets at the acquisition date. The non-controlling interest is not remeasured at fair value in subsequent periods, but will be allocated its share of profit or loss and its share of OCI, including recognizing its portion of the IFRS 2 charge.

The Ardagh Group’s consolidated financial statements separately disclose the non-controlling interest from the parent’s interests.

3. 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, which has been identified as the CODM for the Ardagh Group. Following the reorganization described in Note 1 - General information, the Ardagh Group's operating and reportable segments have remained unchanged but are renamed as follows.

- 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 are not material.

Reconciliation of loss for the year to Adjusted EBITDA

	Year ended December 31,	
	2021	**2020**
	$'m	**$'m**
Loss from continuing operations	(871)	(98)
Income tax (credit)/charge (Note 6)	(18)	10
Net finance expense (Note 5)	482	449
Depreciation and amortization (Notes 8, 9)	746	688
Exceptional operating items (Note 4)	851	58
Share of post-tax loss in equity accounted joint venture (Note 11)	55	48
Adjusted EBITDA	**1,245**	**1,155**

Segment results for the year ended December 31, 2021 are:

	Ardagh Metal Packaging Europe $'m	**Ardagh Metal Packaging Americas $'m**	**Ardagh Glass Packaging Europe $'m**	**Ardagh Glass Packaging North America $'m**	**Group $'m**
Revenue	1,838	2,217	1,784	1,738	**7,577**
Adjusted EBITDA	281	381	393	190	**1,245**
Capital expenditure	190	496	205	175	**1,066**
Segment assets (excluding Investment in material joint venture and related party loan receivable)	2,785	2,540	4,356	2,048	**11,729**

Segment results for the year ended December 31, 2020 are:

	Ardagh Metal Packaging Europe $'m	**Ardagh Metal Packaging Americas $'m**	**Ardagh Glass Packaging Europe $'m**	**Ardagh Glass Packaging North America $'m**	**Group $'m**
Revenue	1,599	1,852	1,640	1,640	**6,731**
Adjusted EBITDA	249	296	369	241	**1,155**
Capital expenditure	101	167	145	130	**543**
Segment assets (excluding Investment in material joint venture and related party loan receivable)	2,403	1,808	2,834	2,249	**9,294**

One customer accounted for greater than 10% of total revenue of the Ardagh Group in 2021 (2020: none).

Capital expenditure is the sum of purchases 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.

Segment assets consist of intangible assets, property, plant and equipment, derivative financial instrument assets, deferred tax assets, other non current assets, inventories, trade and other receivables, contract assets and cash, cash equivalents and restricted cash. The accounting policies of the segments are the same as those in the consolidated financial statements of the Group as set out in Note 2. Segment assets at December 31, 2021, in Ardagh Glass Packaging Europe, include the Ardagh Group's increased cash and cash equivalents holdings. Please refer to note 16 for more details.

Total revenue from the Group in countries which account for more than 10% of total revenue, in the current or prior years presented, are as follows:

	Year ended December 31,	
	2021	**2020**
Revenue	**$'m**	**$'m**
United States	3,394	3,011
United Kingdom	883	782

The revenue above is attributed to countries on a destination basis.

Non-current assets, excluding derivative financial instruments, taxes, pensions, investment in material joint venture and goodwill arising on acquisitions in countries which account for more than 10% of non-current assets are the U.S. 44% (2020: 41%), Germany 13% (2020: 14%) and the United Kingdom 12% (2020: 12%).

The Company is domiciled in Luxembourg. During the year the Group had revenues of $2 million (2020: $2 million) with customers in Luxembourg. Non current assets located in Luxembourg were $3 million (2020: $nil).

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 year ended December 31, 2021:

	Europe $'m	**North America $'m**	**Rest of the World $'m**	**Total $'m**
Ardagh Metal Packaging Europe	1,824	5	9	1,838
Ardagh Metal Packaging Americas	1	1,772	444	2,217
Ardagh Glass Packaging Europe	1,719	12	53	1,784
Ardagh Glass Packaging North America	—	1,737	1	1,738
Group	**3,544**	**3,526**	**507**	**7,577**

The following illustrates the disaggregation of revenue by destination for the year ended December 31, 2020:

	Europe $'m	**North America $'m**	**Rest of the World $'m**	**Total $'m**
Ardagh Metal Packaging Europe	1,581	3	15	1,599
Ardagh Metal Packaging Americas	1	1,499	352	1,852
Ardagh Glass Packaging Europe	1,568	12	60	1,640
Ardagh Glass Packaging North America	2	1,637	1	1,640
Group	**3,152**	**3,151**	**428**	**6,731**

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

	Year ended December 31,	
	2021	2020
	$'m	$'m
Over time	3,160	2,610
Point in time	4,417	4,121
Group	**7,577**	**6,731**

4. Exceptional items

	Year ended December 31,	
	2021	2020
	$'m	$'m
Start-up related costs	30	7
Impairment - property, plant and equipment	—	6
Past service charge	—	5
Restructuring and other costs	3	1
Cyber security incident, net of insurance recovery	1	—
Exceptional items - cost of sales	**34**	**19**
Transaction-related and other costs	415	25
Restructuring and other costs	3	6
Cyber security incident, net of insurance recovery	4	
Exceptional items - SGA expenses	**422**	**31**
Impairment - other intangible assets	—	8
Impairment - goodwill	395	
Exceptional items - impairment of intangible assets	**395**	**8**
Debt refinancing and settlement costs	23	74
Interest expense	17	—
Other exceptional credit	(13)	—
Exceptional items - finance expense	**27**	**74**
Share of exceptional items in material joint venture	25	15
Exceptional items from continuing operations	**903**	**147**
Exceptional income tax credit	(64)	(53)
Exceptional items from continuing operations, net of tax	**839**	**94**
Exceptional items from discontinued operation, net of tax	—	(22)
Total exceptional charge, net of tax	**839**	**72**

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

2021

Exceptional items of $844 million have been recognized for the year ending December 31, 2021, primarily comprising:

- $30 million start-up related costs arising in Ardagh Metal Packaging Americas ($21 million) and Ardagh Metal Packaging Europe ($9 million), relating to the Group's investment programs.
- $5 million net costs resulting from the cyber security incident, comprising $34 million of professional support fees and direct incremental costs, partly offset by $29 million of insurance recoverable recorded at December 31, 2021. See Note 29 – Other information cyber security incident and insurance recoverable.
- $415 million transaction-related and other costs, comprised of an expense of $205 million relating to the service for the listing of the shares in AMP upon the completion of the Business Combination on August 4, 2021, as further detailed in Note 24 – Non-controlling interests, with the remaining costs relating to business combination, acquisition and other transaction costs, including transaction-related remuneration costs, professional advisory fees, and other costs related to transformation initiatives. See Note 29 – Other information cyber security incident and insurance recoverable.
- $3 million restructuring and other costs in Ardagh Glass Packaging North America and Ardagh Glass Packaging Europe.
- $395 million impairment of goodwill in Ardagh Glass Packaging North America, as further detailed in Note 8 – Intangible assets.

- $23 million debt refinancing, and settlement costs related to the redemption of the Ardagh Group's 6.000% Senior Notes in August 2021 as described in note 19, including premium payable on the early redemption of the notes and accelerated amortization of deferred finance costs and bond premium.
- $5 million, primarily related to interest payable on AMP Notes Issuance in March 2021 related to the period prior to completion of the AMP transfer on April 1, 2021 and $12 million related to interest charges on the Ardagh Group's 6.000% Senior Notes from the AMP transfer date, related to the combination of Ardagh Metal Packaging with Gores Holdings V as outlined in Note 1 - General information, to the date of redemption.
- $13 million credit primarily related to entering forward foreign exchange contracts in preparation of the proposed Consol acquisition as outlined in Note 1 - General information.
- $25 million from the share of exceptional items in the Trivium joint venture.
- $64 million from tax credits relating to the above exceptional items.

2020

Exceptional items of $72 million have been recognized for the year ending December 31, 2020, primarily comprising:

- $13 million related to the Group's capacity realignment and investment programs, including start-up related costs in Ardagh Metal Packaging North America ($7 million) and property, plant and equipment impairment charges in Ardagh Glass Packaging North America ($6 million).
- $5 million pension costs recognized in Ardagh Glass Packaging North America following the finalization of amendments to the pension scheme initiated in 2019.
- $25 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.
- $7 million restructuring and other costs.
- $8 million impairment of other intangible assets, following a review of the Group's digital infrastructure and future investment plans.
- $74 million debt refinancing and settlement costs related to the redemption of notes in May and June 2020 as described in Note 19, including premium payable on the early redemption of the notes of $61 million, accelerated amortization of deferred finance costs, and interest charges from the call date to date of redemption.
- $15 million charge from the share of exceptional items in the Trivium joint venture.
- $53 million from tax credits including $15 million relating to U.S. tax reform and $13 million from debt refinancing and settlement costs incurred in the period as described in Note 6.
- $22 million credit in relation to the disposal of Food & Specialty metal packaging business including the finalization of the completion accounts process.

5. Finance income and expense

	Year ended December 31,	
	2021	**2020**
	$'m	**$'m**
Senior Secured Toggle Notes, Senior Secured Notes and Senior Notes	470	392
Other interest expense	42	43
Related party interest income	(21)	(22)
Net interest expense	**491**	**413**
Net pension interest cost (Note 20)	11	14
Foreign currency translation gain	(15)	(42)
Gain on derivative financial instruments	(28)	(3)
Other finance income	(4)	(7)
Finance expense before exceptional items	**455**	**375**
Exceptional finance expense (Note 4)	27	74
Net finance expense	**482**	**449**

During the year ended December 31, 2021, the Ardagh Group recognized $20 million (2020: $19 million) related to lease liabilities within other interest expense and interest paid in cash used in operating activities.

6. Income tax

	Year ended December 31,	
	2021	2020
	$'m	$'m
Current tax:		
Current tax for the year	65	78
Adjustments in respect of prior years	(8)	(64)
Total current tax	**57**	**14**
Deferred tax:		
Deferred tax for the year	(78)	(36)
Adjustments in respect of prior years	3	32
Total deferred tax	**(75)**	**(4)**
Income tax (credit)/charge	**(18)**	**10**

Adjustments in respect of prior years in the year ended December 31, 2020 includes tax credits relating to the carry back of net operating losses in the United States as a result of the enactment from March 27, 2020 of the Coronavirus Aid, Relief and Economic Security ("CARES") Act, additional tax relief on finance expense, and the availability of tax credits relating to a historic divestment.

Reconciliation of income tax (credit)/charge and the (loss)/profit before tax multiplied by the Group's domestic tax rate for 2021 and 2020 is as follows:

	Year ended December 31,	
	2021	2020
	$'m	$'m
Loss before tax	**(889)**	**(88)**
Loss before tax multiplied by the standard rate of Luxembourg corporation tax: 24.94% (2020: 24.94%)	(222)	(22)
Tax losses for which no deferred income tax asset was recognized	23	3
Re-measurement of deferred taxes	12	—
Adjustment in respect of prior years	(5)	(32)
Income subject to state and other local income taxes	11	5
Income taxed at rates other than standard tax rates	(20)	5
Non-deductible items	188	38
Other	(5)	13
Income tax (credit)/charge	**(18)**	**10**

The total income tax (credit)/charge outlined above for each year includes a tax credit of $64 million in 2021 (2020: $53 million) in respect of exceptional items, being the tax effect of the items set out in Note 4.

Non-deductible items primarily relate to transaction costs attributable to the completion of the Business Combination, including the service for listing of the shares in Ardagh Metal Packaging in accordance with IFRS 2 which is non-deductible for tax purposes, in addition to non-deductible interest expenses in Ireland. Re-measurement of deferred taxes relates to the impact of the substantially enacted change in rate of corporation tax in the United Kingdom. Tax losses for which no deferred income tax asset was recognized primarily relates to partially tax deductible Business Combination expenses in Luxembourg. Income taxed at non standard rates takes account of foreign tax rate differences (versus the Luxembourg standard 24.94% rate on earnings).

7. Employee costs

	Year ended December 31,	
	2021 $'m	2020 revised $'m
Wages and salaries	1,340	1,280
Social security costs	167	157
Defined benefit plan pension costs (Note 20)	12	23
Defined contribution plan pension costs (Note 20)	51	47
Group employee costs	**1,570**	**1,507**

	At December 31,	
Employees	**2021**	**2020**
Ardagh Metal Packaging Europe	3,196	2,938
Ardagh Metal Packaging Americas	2,565	1,937
Ardagh Glass Packaging Europe	6,651	6,501
Ardagh Glass Packaging North America	5,336	5,068
Group	**17,748**	**16,444**

8. Intangible assets

	Goodwill $'m	Customer relationships $'m	Technology and other $'m	Software $'m	Total $'m
2020					
Cost					
At January 1, 2020	1,624	2,083	150	87	**3,944**
Additions	—	—	10	2	**12**
Impairment (Note 4)	—	—	(6)	(2)	**(8)**
Transfers	—	—	(6)	6	**—**
Exchange	58	73	2	12	**145**
At December 31, 2020	**1,682**	**2,156**	**150**	**105**	**4,093**
Amortisation					
At January 1, 2020		(880)	(117)	(63)	**(1,060)**
Charge for the year		(206)	(22)	(7)	**(235)**
Exchange		(33)	(3)	(6)	**(42)**
At December 31, 2020		**(1,119)**	**(142)**	**(76)**	**(1,337)**
Net book value					
At December 31, 2020	**1,682**	**1,037**	**8**	**29**	**2,756**
2021					
Cost					
At January 1, 2021	1,682	2,156	150	105	**4,093**
Additions	—	—	15	7	**22**
Acquisitions (Note 9)	3	—	—	—	**3**
Impairment (Note 4)	(395)	—	—	—	**(395)**
Transfers	—	—	(3)	3	**—**
Exchange	(53)	(65)	(2)	(4)	**(124)**
At December 31, 2021	**1,237**	**2,091**	**160**	**111**	**3,599**
Amortisation					
At January 1, 2021		(1,119)	(142)	(76)	**(1,337)**
Charge for the year		(211)	(19)	(7)	**(237)**
Exchange		34	3	3	**40**
At December 31, 2021		**(1,296)**	**(158)**	**(80)**	**(1,534)**
Net book value					
At December 31, 2021	**1,237**	**795**	**2**	**31**	**2,065**

Amortization expense of $237 million (2020: $235 million) has been charged to the consolidated income statement of the Group.

In November 2021, the Ardagh Group completed the Business Combination with Hart Print, located in Quebec, Canada. The transaction is not material to the Ardagh Group. These consolidated financial statements include management's preliminary estimate of the fair values of assets acquired and liabilities assumed. In conjunction with this transaction, the Ardagh Group has entered into an earnout compensation arrangement with the former shareholders, which is treated as a compensation arrangement for accounting purposes and could result in future payments to those individuals depending on the future performance of Hart Print.

Impairment

An impairment charge of $395 million, before the impact of deferred tax, was recognized in the year ended December 31, 2021 in respect of the goodwill in Ardagh Glass Packaging North America as a result of the impairment testing performed. Please refer to the section Impairment test for Ardagh Glass Packaging North America.

The Board has considered the carrying value of the Ardagh Group's intangible assets (excluding goodwill) and assessed for indicators of impairment as at December 31, 2021 in accordance with IAS 36. No such indicators of impairment were identified.

In the year ended December 31, 2020 an impairment charge of $8 million was recognized, which relates to the impairment of certain technology and software assets as further described in Note 4.

Goodwill

Allocation of goodwill

Goodwill has been allocated to groups of CGUs for the purpose of impairment testing. The groupings represent the lowest level at which the related goodwill is monitored for internal management purposes. Goodwill acquired through business combination activity is allocated to CGUs that are expected to benefit from synergies arising from that combination.

The lowest level within the Ardagh Group at which the goodwill is monitored for internal management purposes, and consequently the CGUs to which goodwill is allocated, is set out below. On this basis, the Ardagh Group's CGUs are identified as follows:

	At 31 December,	
	2021 $'m	2020 $'m
Ardagh Metal Packaging Europe	570	618
Ardagh Metal Packaging Americas	440	437
Ardagh Glass Packaging Europe	62	67
Ardagh Glass Packaging North America	165	560
Total Goodwill	**1,237**	**1,682**

Impairment tests for goodwill

The Ardagh Group performs its impairment test of goodwill annually following approval of the annual budget or whenever indicators suggest that impairment may have occurred.

Recoverable amount and carrying amount

The Ardagh Group uses the value in use ("VIU") model for the purposes of goodwill impairment testing, as this reflects the Ardagh Group's intention to hold and operate the assets. However, if an impairment indicator exists for a CGU, the Ardagh Group also uses the fair value less costs of disposal ("FVLCD") model in order to establish the recoverable amount being the higher of the VIU model and FVLCD model when compared to the carrying value of the CGU.

Impairment test for all CGU's other than for Ardagh Glass Packaging North America

For the 2021 and 2020 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations, which require the use of assumptions.

The VIU model used the 2022 budget approved by the Board and a three-year forecast for 2023 to 2025 (2020: three-year forecast period). The budget and forecast results were then extended for a further one year period (2020: one-year period)

making certain assumptions, including the profile between long-term depreciation and capital expenditure, in addition to how the changes in input cost will impact customer pricing, in line with historic practice and contractual terms.

Cash flows considered in the VIU model included the cash inflows and outflows related to the continuing use of the assets over their remaining useful lives, expected earnings, required maintenance capital expenditure, depreciation and working capital.

The pre-tax discount rates applied to cashflows in the VIU model, ranged from 4.4% to 7.7% (2020: 5.1% to 7.9%) and were estimated using our weighted average cost of capital as determined by the Capital Asset Pricing Model, with regard to the risks associated with the cash flows being considered (country, market and specific risks of the asset).

The modelled cash flows take into account the Ardagh Group's established history of earnings, cash flow generation and the nature of the markets in which we operate, where product obsolescence is low. The key assumptions employed in modelling estimates of future cash flows are subjective and include projected Adjusted EBITDA, discount rates and growth rates, replacement capital expenditure requirements, rates of customer retention and the ability to maintain margin through the pass through of input cost inflation.

The terminal value assumed long-term growth based on a combination of factors including long-term inflation in addition to industry and market specific factors. The range of growth rates applied by management in respect of the terminal values applicable to all groups of CGU's were 1.0% - 1.5% (2020: 1.0% - 1.5%).

A sensitivity analysis was performed reflecting potential variations in terminal growth rate and discount rate assumptions. In all cases the recoverable values calculated were in excess of the carrying values of the CGUs. The variation applied to terminal value growth rates and discount rates was a 50 basis points decrease and increase respectively and represents a reasonably possible change to the key assumptions of the VIU model. Further, a reasonably possible change to the operating cash flows would not reduce the recoverable amounts below the carrying value of the CGUs. As a result of the significant excess of recoverable amount, management consider that additional disclosures are not required under IAS 36.

Impairment test for Ardagh Glass Packaging North America

Management have considered the continued operational challenges experienced in the Ardagh Glass Packaging North America CGU in the fourth quarter in its assessment of goodwill impairment following management's update to its budget plan, which indicated lower projected future EBITDA for the Ardagh Glass Packaging North America CGU as compared to the projections used in the previous goodwill impairment test performed as of September 30, 2021. Management has determined the recoverable amount by assessing the FVLCD of the underlying assets using a market approach, on the basis that this gave a higher recoverable amount than an assessment based on VIU. The valuation is considered to be level 3 in the fair value hierarchy, due to unobservable inputs used in the valuation.

The key assumptions applied in the FVLCD calculation for the Ardagh Glass Packaging North America CGU are, by their nature, subjective and include, adjustments to forecasted full year 2022 results for projected inflationary input costs increases and the extent to which these can be recovered from customers, increases in available production capacity and the effects of future restructuring as part of estimating the projected Adjusted EBITDA from a market participant's perspective (2020: FY21 projected revenue volumes, cost savings and the effects of future restructuring as part of estimating the projected Adjusted EBITDA from a market participant's perspective). A multiple of 6.5x (2020: 6.5x) was then applied to the market participant projected Adjusted EBITDA, based on comparable companies and market transactions, which was further adjusted for selling costs. The recoverable amount of $1,297 million was then compared to the carrying value of the Ardagh Glass Packaging North America CGU, resulting in the recognition of an impairment charge of $395 million (before the impact of deferred tax) on goodwill allocated to Ardagh Glass Packaging North America in the year ended 31 December 2021.

A sensitivity analysis was performed on the FVLCD calculation by increasing and decreasing the projected Adjusted EBITDA from a market participant's perspective by 5%, and increasing and decreasing the multiple which was applied to the projected Adjusted EBITDA from a market participant's perspective by 25 basis points. If the projected Adjusted EBITDA from a markets participant's perspective were to decrease by 5%, the impairment charge (before the impact of deferred tax) would increase by an estimated $74 million. If the projected Adjusted EBITDA from a markets participant's perspective were to increase by 5%, the impairment charge (before the impact of deferred tax) would decrease by an estimated $74 million. If the multiple which was applied to the projected Adjusted EBITDA from a markets participant's perspective were to decrease by 25 basis points, the impairment charge (before the impact of deferred tax) would increase by an estimated $57 million. If the multiple which was applied to the projected Adjusted EBITDA from a markets participant's perspective were to increase by 25 basis points, the impairment charge (before the impact of deferred tax) would decrease by an estimated $57 million.

9. Property, plant and equipment

	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and other $'m	Total $'m
Cost				
At January 1, 2020	**1,018**	**3,236**	**126**	**4,380**
Additions	69	507	51	**627**
Impairment (Note 4)	—	(6)	—	**(6)**
Disposals	(2)	(234)	(11)	**(247)**
Exchange	55	116	5	**176**
At December 31, 2020	**1,140**	**3,619**	**171**	**4,930**
Depreciation				
At January 1, 2020	(276)	(1,386)	(41)	**(1,703)**
Charge for the year	(89)	(330)	(34)	**(453)**
Disposals	1	234	11	**246**
Exchange	(19)	(53)	(3)	**(75)**
At December 31, 2020	**(383)**	**(1,535)**	**(67)**	**(1,985)**
Net book value				
At December 31, 2020	**757**	**2,084**	**104**	**2,945**
Cost				
At January 1, 2021	1,140	3,619	171	**4,930**
Additions	119	1,150	69	**1,338**
Acquisitions	11	22	—	**33**
Disposals	(8)	(174)	(24)	**(206)**
Exchange	(51)	(123)	(4)	**(178)**
At December 31, 2021	**1,211**	**4,494**	**212**	**5,917**
Depreciation				
At January 1, 2021	(383)	(1,535)	(67)	**(1,985)**
Charge for the year	(96)	(374)	(39)	**(509)**
Disposals	7	174	21	**202**
Exchange	19	50	2	**71**
At December 31, 2021	**(453)**	**(1,685)**	**(83)**	**(2,221)**
Net book value				
At December 31, 2021	**758**	**2,809**	**129**	**3,696**

Depreciation expense of $490 million (2020: $438 million) has been charged in cost of sales and $19 million (2020: $15 million) in sales, general and administration expenses.

In March 2021, the Ardagh Group completed the acquisition of the Longhorn glass manufacturing facility, located in Houston, Texas. The transaction is not material to the Ardagh Group. These consolidated financial statements include management's preliminary estimate of the fair values of assets acquired and liabilities assumed.

Construction in progress at December 31, 2021 was $797 million (2020: $304 million) included within plant and machinery.

Included in property, plant and equipment is an amount for land of $194 million (2020: $196 million).

Substantially all of the Group's property, plant and equipment is pledged as security under the terms and conditions of the Group's financing arrangements. Interest capitalized in the year was $1 million (2020: $nil).

Impairment

The Board has considered the carrying value of the Ardagh Group's property, plant and equipment and assessed the indicators of impairment as at December 31, 2021, in accordance with IAS 36. No such indicators of impairment were identified. In the year ended December 31, 2020 an impairment charge of $6 million was identified which related to the impairment of plant and machinery in Ardagh Glass Packaging North America. Please refer to Note 4.

Right of Use assets – Net Book Value, depreciation and variable lease expense

The following right-of-use assets were included in property, plant and equipment:

Net book value	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and other $'m	Total $'m
At December 31, 2021	184	146	71	**401**
At December 31, 2020	181	63	75	**319**

The increase in the net carrying amount of the right-of use assets at December 31, 2021 is primarily the result of total additions to the right-of-use assets of $205 million and an acquisition of $1 million during the year ended December 31, 2021, offset by a depreciation charge of $111 million (Land and buildings: $66 million, Plant and machinery: $30 million, Office equipment, vehicles and other: $15 million), disposals of $2 million and an exchange effect.

The increase in the net carrying amount of the right-of use assets at December 31, 2020 is primarily the result of total additions to the right-of-use assets during the year ended December 31, 2020 of $87 million and exchange gains, offset by a depreciation charge of $93 million (Land and buildings: $55 million, Plant and machinery: $23 million, Office equipment, vehicles and other: $15 million).

During 2021, the Ardagh Group incurred variable lease expense of $72 million (2020: $64 million), primarily related to warehouse leases.

Capital commitments

The following capital commitments in relation to property, plant and equipment were authorized by management, but have not been provided for in the consolidated financial statements:

	At December 31,	
	2021 $'m	2020 $'m
Contracted for	478	148
Not contracted for	281	227
	759	**375**

10. Other non-current assets

At December 31, 2021, other non current assets were $28 million (2020: $73 million), which includes $8 million (2020: $8 million) primarily relating to certain of the Group's investment in its joint ventures, excluding the investment in Trivium, which is further discussed in Note 11.

11. Investment in material joint venture

Investment in material joint venture is comprised of the Group's approximate 42% investment in Trivium, which is incorporated in the Netherlands, with corporate offices in Amsterdam. The remaining approximate 58% is held by Ontario Teachers' Pension Plan Board ("Ontario Teachers"). 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 table provides aggregated financial information for Trivium as it relates to the amounts recognized by Ardagh in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of financial position.

	Year ended December 31,	
	2021 $'m	2020 $'m
Investment in joint venture	303	390
Loss for the period	(55)	(48)
Other comprehensive (expense)/income	(5)	29
Total comprehensive loss	**(60)**	**(19)**

Summarized financial information, as of the date these consolidated financial statements were authorized for issue, for Trivium for the twelve months ended and as at December 31, 2021 and December 31, 2020, is set out below.

	Year ended December 31,	
	2021 [(i)]	**2020** [(ii)]
	$'m	**$'m**
Revenue	2,757	2,656
Expenses	(2,718)	(2,617)
Operating profit	**39**	**39**
Net finance expense	(167)	(158)
Loss before tax	**(128)**	**(119)**
Income tax (charge)/credit	(1)	5
Loss after tax	**(129)**	**(114)**

(i) The income statement for the year ended December 31, 2021 includes exceptional items of $60 million, in accordance with Ardagh accounting policy and $168 million on non-exceptional interest expense. Also included is depreciation and amortization of $286 million.

(ii) The income statement for the year ended December 31, 2020 includes exceptional items of $35 million, in accordance with Ardagh accounting policy, of which $2 million is in respect of exceptional interest income. and $160 million of non-exceptional interest expense. Also included is depreciation and amortization of $285 million (inclusive of a measurement period adjustment of $19 million) and income tax credit of $5 million (inclusive of a measurement period adjustment of $6 million).

	At December 31,	
	2021	**2020**
	$'m	**$'m**
Non-current assets	4,227	4,644
Current assets [(iii)]	1,053	891
Total assets	**5,280**	**5,535**
Total equity	**679**	**839**
Non-current liabilities [(iv)]	3,688	3,892
Current liabilities [(v)]	913	804
Total liabilities	**4,601**	**4,696**
Total equity and liabilities	**5,280**	**5,535**

(iii) Includes cash and cash equivalents of $0.2 billion.

(iv) Includes non-current financial liabilities (excluding other payables and provisions) of $3.6 billion.

(v) Includes current financial liabilities (excluding trade and other payables and provisions) of $0.1 billion.

As at December 31, 2021, Trivium had net debt of $2.7 billion (2020: $2.9 billion).

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

	2021	**2020**
	$'m	**$'m**
Group's interest in net assets of material joint venture at January 1,	390	375
Share of total comprehensive loss	(60)	(19)
Exchange	(27)	34
Carrying amount of interest in material joint venture - December 31,	**303**	**390**

In respect of the Ardagh 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 December 31, 2021.

During the year ended December 31, 2020, Trivium management updated the provisional fair values and useful lives for property, plant and equipment and intangible assets acquired upon formation of Trivium on October 31, 2019, resulting in measurement period adjustments that require recognition by Ardagh. As a result, the reported share of post-tax loss in equity accounted joint venture for the year ended December 31, 2020, includes adjustments for the two months ended December 31, 2019 related to depreciation and amortization, net of tax, arising from the revised fair values and useful lives determined for property, plant and equipment and intangible assets acquired. The impacts of these adjustments, on the reported share of post-tax loss in equity accounted joint venture is $6 million for the year ended December 31, 2020.

The Ardagh Group is party to a Mutual Services Agreement ("MSA") with Trivium, pursuant to which the Ardagh Group and Trivium provide services to each other. The services generally relate to administrative support in respect of finance, tax reporting, R&D and certain IT services. 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 Ardagh Group's entities and Trivium.

The Ardagh Group recognized net income of $11 million in respect of the MSA in the year ended December 31, 2021 respectively (December 31, 2020: $19 million).

At December 31, 2021, and December 31 2020, the Ardagh Group had no significant related party balances outstanding with Trivium reflected within trade and other receivables and trade and other payables.

In May 2020, the Ardagh Group, as lender, entered into a credit facility (the "Trivium Credit Facility") with Trivium, as borrower. The amount under the Trivium Credit Facility was $36 million. The Trivium Credit Facility matured on April 30, 2021 and was not extended.

12. Deferred income tax

The movement in deferred tax assets and liabilities during the year was as follows:

	Assets $'m	Liabilities $'m	Total $'m
At 1 January 2020	**406**	**(546)**	**(140)**
(Charged)/credited to the income statement (Note 6)	(22)	26	4
Credited/(charged) to other comprehensive income	23	(6)	17
Exchange	13	(18)	(5)
At 31 December 2020	**420**	**(544)**	**(124)**
Credited to the income statement (Note 6)	68	7	75
Charged to other comprehensive income	(34)	(12)	(46)
Exchange	(11)	16	5
At 31 December 2021	**443**	**(533)**	**(90)**

The components of deferred income tax assets and liabilities are as follows:

	At 31 December	
	2021 $'m	**2020 $'m**
Tax losses	113	47
Employee benefit obligations	127	168
Depreciation timing differences	82	83
Provisions	74	72
Other	47	50
	443	**420**
Available for offset	(226)	(175)
Deferred tax assets	**217**	**245**
Intangible assets	(171)	(265)
Accelerated depreciation and other fair value adjustments	(300)	(239)
Other	(62)	(40)
	(533)	**(544)**
Available for offset	226	175
Deferred tax liabilities	**(307)**	**(369)**

The tax credit recognized in the consolidated income statement is analyzed as follows:

	Year ended 31 December,	
	2021	2020
	$'m	$'m
Tax losses	69	4
Employee benefit obligations	(4)	(2)
Depreciation timing differences	2	(5)
Provisions	3	(3)
Other deferred tax assets	(2)	(16)
Intangible assets	85	40
Accelerated depreciation and other fair value adjustments	(67)	(27)
Other deferred tax liabilities	(11)	13
	75	**4**

Deferred tax assets are only recognized on tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable based on management's forecasts. The Group did not recognize deferred tax assets of $131 million (2020: $108 million) in respect of tax losses amounting to $524 million (2020: $433 million) that can be carried forward against future taxable income due to uncertainty regarding their utilization.

No provision has been made for temporary differences applicable to investments in subsidiaries as the Group is in a position to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Given that exemptions and tax credits would be available in the context of the Group's investments in subsidiaries in the majority of jurisdictions in which it operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognized would not be material.

13. Inventories

	At 31 December,	
	2021	2020
	$'m	$'m
Raw materials and consumables	430	303
Mold parts	52	52
Work-in-progress	16	13
Finished goods	605	555
	1,103	**923**

Certain inventories held by the Ardagh Group have been pledged as security under the Group's Global Asset Based Loan Facilities (Note 19). The amount recognized as a write down in inventories or as a reversal of a write down in the year ended December 31, 2021 was not material (2020: not material).

At December 31, 2021, the hedging loss included in the carrying value of inventories, which will be recognized in the income statement when the related finished goods have been sold is $14 million (2020: not material).

14. Trade and other receivables

	At December 31,	
	2021	2020
	$'m	$'m
Trade receivables	826	632
Other receivables and prepayments*	363	237
	1,189	**869**

* Included in Other receivables and prepayments is an amount of $35 million related to the cyber security incident insurance recoverable (Note 29), which was received in January 2022 and the receivable for the tax adjusted indemnity in respect of a U.S. glass business legal matter.

The fair values of trade and other receivables approximate the amounts shown above.

Movements on the provision for impairment of trade receivables are as follows:

	2021 $'m	2020 $'m
At 1 January,	**11**	**6**
Provision for receivables impairment	—	5
Receivables written off during the year as uncollectible	(2)	(1)
Exchange	—	1
At 31 December,	**9**	**11**

The majority of the provision recorded in the prior year relates to balances which at the time were more than six months past due. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable set out above.

Provisions against specific balances

Significant balances are assessed for evidence of increased credit risk. Examples of factors considered are high probability of bankruptcy, breaches of contract or major concession being sought by the customer. Instances of significant single customer related bad debts are rare and there is no significant concentration of risk associated with particular customers.

Providing against the remaining population of customers

The Group monitors actual historical credit losses and adjusts for forward-looking information to measure the level of expected losses. Adverse changes in the payment status of customers of the Group, or national or local economic conditions that correlate with defaults on receivables owing to the Group, may also provide a basis for an increase in the level of provision above historic loss experience.

As of December 31, 2021, trade receivables of $36 million (2020: $19 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	At 31 December,	
	2021 $'m	2020 $'m
Up to three months past due	33	14
Three to six months past due	1	4
Over six months past due	2	1
	36	**19**

Receivables Factoring and Related Programs

The Group participates in several uncommitted accounts receivable factoring and related programs with various financial institutions for certain receivables, accounted for as true sales of receivables, without recourse to the Group. Receivables of $554 million were sold under these programs at December 31, 2021 (December 31, 2020: $440 million).

15. Contract assets

The following table provides information about significant changes in contract assets:

	2021 $'m	2020 $'m
At 1 January,	**139**	**151**
Transfers from contract assets recognized at beginning of year to receivables	(137)	(148)
Increases as a result of new contract assets recognized during the year	185	133
Other (including exchange)	(5)	3
At 31 December	**182**	**139**

16. Cash, cash equivalents and restricted cash

	At December 31,	
	2021	2020
	$'m	$'m
Cash at bank and in hand	594	413
Short term bank deposits	2,312	879
Restricted cash*	143	6
	3,049	**1,298**

*Includes $137 million held in escrow for the purpose of redeeming the Toggle Notes on January 19, 2022. See Note 30 – Events after the reporting period for more information.

17. Issued capital and reserves

Issued and fully paid shares:

	Number of shares (millions)	$'m
Ordinary shares (par value €0.01)	10.3	—
At December 31, 2021 and at December 31, 2020	**10.3**	**—**

There were no transactions in shares of the Company during the year ended December 31, 2021. During the year ended December 31, 2021, the Group paid dividends of $198 million (2020: $53 million).

18. Financial risk factors

The Group's activities expose it to a variety of financial risks: capital risk, interest rate risk, currency exchange risk, commodity price risk, credit risk, and liquidity risk.

Capital structure and risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and provide returns to its shareholders. The Group funds its operations primarily from the following sources of capital: borrowings, cash flow and shareholders' capital. The Group aims to achieve a capital structure that results in an appropriate cost of capital to accommodate material investments or acquisitions, while providing flexibility in short and medium term funding. The Group also aims to maintain a strong balance sheet and to provide continuity of financing by having a range of maturities and borrowing from a variety of sources.

The Group's overall treasury objectives are to ensure sufficient funds are available for the Group to carry out its strategy and to manage certain financial risks to which the Group is exposed, details of which are provided below. The Group's finance committee reviews and monitors the capital structure, financial policies and treasury function, in addition to advising the board of directors in relation to financing agreements or arrangements.

Financial risks are managed on the advice of Group Treasury and senior management in conjunction with the finance committee. The Group does not permit the use of treasury instruments for speculative purposes, under any circumstances. Group Treasury regularly reviews the level of cash and debt facilities required to fund the Group's activities, plans for repayment and refinancing of debt, and identifies an appropriate amount of headroom to provide a reserve against unexpected funding requirements.

The Group's long-term liquidity needs primarily relate to the servicing of our debt obligations. We expect to satisfy our future long-term liquidity needs through a combination of cash flow generated from operations and, where appropriate, to refinance our debt obligations in advance of their respective maturity dates as we have successfully done in the past. The Group generates substantial cash flow from our operations on an annual basis. The Group had $3,049 million in cash, cash equivalents and restricted cash as of December 31, 2021, as well as available but undrawn liquidity of $793 million under its credit facilities.

Additionally, financial instruments, including derivative financial instruments, are used to hedge exposure to interest rate, currency exchange risk and commodity price risk.

One of the Group's key metrics has been the ratio of consolidated external net debt as a multiple of 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. As at December 31, 2021 the ratio was 6.4x (2020: 6.9x).

Interest rate risk

The Board's policy, in the management of interest rate risk, is to strike the right balance between the Group's fixed and floating rate financial instruments, which occasionally includes the use of cross currency and interest rate swaps. The balance struck by the Board is dependent on prevailing interest rate markets at any point in time.

At December 31, 2021, the Group's external borrowings were 100% (2020: 92.2%) fixed, with a weighted average interest rate of 4.3% (2020: 4.7%). The weighted average interest rate for the Group for the year ended December 31, 2021 was 4.2% (2020: 4.4%).

Holding all other variables constant, including levels of the Group's external indebtedness, at December 31, 2021 a one percentage point increase in variable interest rates would increase interest payable by approximately $nil (2020: $11 million).

Currency exchange risk

The Group presents its consolidated financial information in U.S. dollar. The functional currency of the Company is the euro.

The Group operates in 12 countries, across three continents and its main currency exposure in the year to December 31, 2021, from the euro functional currency, was in relation to the U.S. dollar, British pound, Swedish krona, Polish zloty, Danish krone and Brazilian real. Currency exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

As a result of the consolidated financial statements being presented in U.S dollar, the Group's results are also impacted by fluctuations in the U.S. dollar exchange rate versus the euro.

The Group has a limited level of transactional currency exposure arising from sales or purchases by operating units in currencies other than their functional currencies.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed where possible primarily through borrowings and swaps denominated in the Group's principal foreign currencies.

Fluctuations in the value of these currencies with respect to the euro functional currency may have a significant impact on the Group's financial condition and results of operations. The Group believes that a strengthening of the euro exchange rate (the functional currency) by 1% against all other foreign currencies from the December 31, 2021 rate would decrease shareholders' equity by approximately $7 million (2020: $11 million decrease).

Commodity price risk

The Group is exposed to changes in prices of our main raw materials, primarily aluminum and energy. Production costs in Ardagh Metal Packaging are exposed to changes in prices of our main raw materials, primarily aluminum. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/ euro rate also affect the euro cost of aluminum ingot. The price and foreign currency risk on the aluminum purchases in Ardagh Metal Packaging Europe and Ardagh Metal Packaging Americas are hedged where required by entering into swaps under which we pay fixed euro and U.S. dollar prices, respectively. Furthermore, the relative price of oil and its by-products may materially impact our business, affecting our transport, lacquer and ink costs.

Where we do not have pass through contracts in relation to the underlying metal raw material cost the Group uses derivative agreements to manage this risk. The Group depends on an active liquid market and available credit lines with counterparty banks to cover this risk. The use of derivative contracts to manage our risk is supported by robust hedging procedures. Increasing raw material costs over time has the potential, if we are unable to pass on price increases, to reduce sales volume and could therefore have a significant impact on our financial condition. The Group is also exposed to possible interruptions of supply of aluminum and steel or other raw materials and any inability to purchase raw materials could negatively impact our operations.

Production costs in Ardagh Glass Packaging are sensitive to the price of energy. Our main energy exposure is to the cost of gas and electricity. These energy costs have experienced significant volatility in recent years with a corresponding effect on our production costs. In terms of gas, which represents 50% of our energy costs, there is a continuous de coupling between the cost of gas and oil, whereby now only significant changes in the price of oil have an impact on the price of gas. The volatility in gas pricing is driven by shale gas development (United States only), the availability of liquefied natural gas in Europe, as both Europe and Asia compete for shipments and storage, wind and solar intensity levels, as well as geopolitical events. Volatility in the price of electricity is caused by developments in renewable energy policies, including in Germany, the phasing out of nuclear generating capacity, fluctuations in the price of gas and coal, the influence of carbon dioxide costs on electricity prices, as well as geopolitical events. The impact of Europe's dependence on Russia for natural gas supply has been evident by the extreme rise in price, as a result of reduced gas flows in the second half of 2021 arising from political tensions between Russia and Ukraine.

As a result of the volatility of gas and electricity prices, the Group has included energy pass through clauses in our sales contracts where possible. Where pass through contracts do not exist, the Group has developed an active risk management strategy by either hedging with a bank or entering into forward price fixing arrangements with suppliers for the bulk of our anticipated requirements for the year ahead. Such arrangements are used exclusively to obtain delivery of our anticipated energy supplies. The Group does not net settle, nor do we sell within a short period of time after taking delivery. The Group avails of the own use exemption and, therefore, these contracts are treated as executory contracts.

The Group typically builds up these contractual positions in tranches of approximately 10% of the anticipated volumes. Any gas and electricity which is not purchased under forward price fixing arrangements is purchased under index tracking contracts or at spot prices.

Credit risk

Credit risk arises from derivative contracts, cash and deposits held with banks and financial institutions, as well as credit exposures to the Group's customers, including outstanding receivables. Group policy is to invest its excess liquidity only with recognized and reputable financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "BBB+" from at least two credit rating agencies are accepted, where possible. The credit ratings of banks and financial institutions are monitored to ensure compliance with Group policy. Risk of default is controlled within a policy framework of dealing with high quality institutions and by limiting the amount of credit exposure to any one bank or institution.

Group policy is to extend credit to customers of good credit standing. Credit risk is managed on an on going basis, by experienced personnel within the Group. The Group's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilization of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended December 31, 2021, the Group's ten largest customers accounted for approximately 44% of total revenues (2020: 45%). There is no recent history of default with these customers.

Surplus cash held by the operating entities over and above their short term requirements are transferred to Group Treasury, where possible. Group Treasury invests surplus cash in interest bearing current accounts, money market funds and bank time deposits with appropriate maturities to provide sufficient headroom as determined by the below mentioned forecasts.

Liquidity risk

The Group is exposed to liquidity risk which arises primarily from the maturing of short term and long term debt obligations and from the normal liquidity cycle of the business throughout the course of a year. In the near term, the Group is also exposed to liquidity risk relating to its growth investment initiates. The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due.

To effectively manage liquidity risk, the Group:

- has committed borrowing facilities that it can access to meet liquidity needs;
- maintains cash balances and liquid investments with highly rated counterparties;
- limits the maturity of cash balances;
- borrows the bulk of its debt needs under long term fixed rate debt securities; and
- has internal control processes to manage liquidity risk.

Cash flow forecasting is performed in the Group's operating entities, and is aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans.

19. Financial assets and liabilities

The Group's net debt was as follows:

	At December 31,	
	2021 **$'m**	**2020** **$'m**
Loan notes	10,504	8,825
Other borrowings	456	378
Net borrowings	**10,960**	**9,203**
Cash, cash equivalents and restricted cash	(3,049)	(1,298)
Derivative financial instruments used to hedge foreign currency and interest rate risk	(2)	105
Net debt	**7,909**	**8,010**

The Group's net borrowings of $10,960 million (2020: $9,203 million) are classified as non-current liabilities of $10,846 million (2020: $9,106 million) and current liabilities of $114 million (2020: $97 million) in the consolidated statement of financial position at December 31, 2021

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	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	497	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	895	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	539	–
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	07-Dec-22	Revolving	–	–	467
Lease obligations	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
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 Ardagh Metal Packaging S.A. 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 and interest rate risks relating to Group borrowings.

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in certain areas such as incurrence of additional indebtedness (primarily maximum 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 is 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.

Under a share pledge agreement, the Company has pledged in favour of a collateral agent, acting for its own benefit and for the benefit of the Secured Parties (as defined in the Share Pledge Agreement) all its rights, titles, interests and benefits, (as defined in the Share Pledge Agreement) in Ardagh Group S.A., as a first ranking security for the Secured Obligations (as defined in the Share Pledge Agreement).

At December 31, 2020, 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	1,227	–
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	539	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	969	–
6.000% Senior Notes	USD	800	15-Feb-25	Bullet	800	826	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	546	–
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	599	07-Dec-22	Revolving	–	–	599
Lease obligations	Various	—		Amortizing	–	366	–
Other borrowings/credit lines	Various	—	Rolling	Amortizing	–	14	1
Total borrowings / undrawn facilities						**9,332**	**600**
Deferred debt issue costs and bond discounts/bond premium						(129)	–
Net borrowings / undrawn facilities						**9,203**	**600**
Cash, cash equivalents and restricted cash						(1,298)	1,298
Derivative financial instruments used to hedge foreign currency and interest rate risk						105	–
Net debt / available liquidity						**8,010**	**1,898**

The following table summarizes movement in the Group's net debt:

	2021 $'m	2020 $'m
Net increase in cash and cash equivalents per consolidated statement of cash flows	(1,751)	(635)
Increase in net borrowings and derivative financial instruments	1,650	1,129
(Decrease)/increase in net debt	(101)	494
Net debt at January 1,	8,010	7,516
Net debt at December 31,	**7,909**	**8,010**

The decrease in net debt primarily includes an increase to cash and cash equivalents of $1.8 billion (2020: increase of $0.6 billion), repayments of borrowings of $0.8 billion (2020: $3.3 billion), foreign exchange gain on borrowings of $0.2 billion (2020: loss of $0.2 billion) and a fair value gain on derivative financial instruments used to hedge foreign currency and interest rate risk of $0.1 billion (2020 loss of $0.1 billion) which is partially offset by proceeds from borrowings of $2.8 billion (2020: $4.1 billion).

Maturity Profile

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

	At December 31,	
	2021	2020
	$'m	$'m
Liabilities of the ARD Finance Group		
Greater than five years	**2,263**	**2,357**
Liabilities of the Ardagh Group		
Within one year or on demand	58	55
Between one and three years	71	67
Between three and five years	3,361	1,567
Greater than five years	2,415	5,141
Restricted Group	**5,905**	**6,830**
Within one year or on demand	56	42
Between one and three years	55	46
Between three and five years	59	21
Greater than five years	2,757	36
Unrestricted Group	**2,927**	**145**
Total borrowings	**11,095**	**9,332**
Deferred debt issue costs and bond discounts/bond premium	(135)	(129)
Net Borrowings	**10,960**	**9,203**

The maturity profile of the Group's Senior Secured Toggle Notes, Senior Secured Notes and Senior Notes is as follows:

	At December 31,	
	2021	2020
	$'m	$'m
Liabilities of the ARD Finance Group		
Greater than five years	**2,263**	**2,357**
Liabilities of the Ardagh Group		
Within one year or on demand	—	—
Between one and three years	—	—
Between three and five years	3,307	1,526
Greater than five years	2,339	5,069
Restricted Group total Senior Secured Notes and Senior Notes	**5,646**	**6,595**
Within one year or on demand	—	—
Between one and three years	—	—
Between three and five years	—	—
Greater than five years	2,726	—
Unrestricted Group total Senior Secured Notes and Senior notes	**2,726**	**—**

The maturity profile of the contractual undiscounted cash flows related to the Group's lease liabilities is as follows:

	2021	2020
	$'m	$'m
Within one year	117	99
Between one and five years	279	212
Greater than five years	142	152
	538	**463**

The table below analyzes the Group's financial liabilities (including interest payable) into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contracted undiscounted cash flows.

At December 31, 2021	Borrowings $'m	Derivative financial instruments $'m	Trade and other payables $'m
Within one year or on demand	585	14	2,076
Between one and three years	1,065	4	—
Between three and five years	4,255	—	—
Greater than five years	7,818	—	—

At December 31, 2020	Borrowings $'m	Derivative financial instruments $'m	Trade and other payables $'m
Within one year or on demand	537	104	1,453
Between one and three years	983	26	—
Between three and five years	2,382	—	—
Greater than five years	8,027	—	—

The carrying amount and fair value of the Group's borrowings excluding lease obligations are as follows:

	Carrying value			
At December 31, 2021	Amount drawn $'m	Deferred debt issue costs and premium $'m	Total $'m	Fair value $'m
Loan notes	10,635	(131)	10,504	10,681
Global Asset Based Loan Facilities and other borrowings	20	(4)	16	20
	10,655	**(135)**	**10,520**	**10,701**

	Carrying value			
At December 31, 2020	Amount drawn $'m	Deferred debt issue costs and premium $'m	Total $'m	Fair value $'m
Loan notes	8,952	(127)	8,825	9,225
Global Asset Based Loan Facility and other borrowings	14	(2)	12	14
	8,966	**(129)**	**8,837**	**9,239**

Financing activity

2021 - Ardagh Group

On March 12, 2021, the Ardagh Group, in connection with the Business Combination, issued €450 million 2.000% Senior Secured Notes due 2028, $600 million 3.250% Senior Secured Notes due 2028, €500 million 3.000% Senior Notes due 2029 and $1,050 million 4.000% Senior Notes due 2029. Details related to the transaction and use of proceeds from this issuance are outlined in note 1 – General information.

On August 15, 2021, the Ardagh Group redeemed in full the remaining outstanding $800 million 6.000% Senior Notes due 2025 and paid applicable redemption premiums and accrued interest.

Lease obligations at December 31, 2021 of $440 million (December 31, 2020: $366 million), primarily reflects $202 million of new lease liabilities, offset by $128 million of principal repayments and foreign currency movements in the year ended December 31, 2021.

At December 31, 2021 the Ardagh Group had $792 million available under the Global Asset Based Loan Facilities. On April 1, 2021, the Ardagh Group reduced the size of Global Asset Based Loan Facility from $700 million to $500 million in connection with the designation of the AMP Entities as unrestricted subsidiaries. On August 6, 2021, AMP and certain of its subsidiaries entered into a Global Asset Based Loan Facility in the amount of $300 million. The amount increased to $325 million on September 29, 2021. The Ardagh Group's $500 million Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.

2020 – Ardagh Group

On April 8, 2020, the Ardagh Group issued $500 million 5.250% Senior Secured Notes due 2025 and on April 9, 2020, the Ardagh Group issued $200 million add-on 5.250% Senior Secured Notes due 2025. Net proceeds from the issuance of the notes were used to redeem in full a $300 million term loan credit facility on April 8, 2020 and for general corporate purposes.

On June 2, 2020, the Ardagh Group issued $1,000 million 5.250% Senior Notes due 2027. The notes are non-fungible mirror notes to the $800 million 5.250% Senior Notes due 2027, issued in August 2019. The net proceeds from the issuance of the notes were used to repurchase, by means of a tender and consent offer, approximately $900 million of the $1,700 million 6.000% Senior Notes due 2025, together with applicable redemption premium and accrued interest.

On June 4, 2020, the Ardagh Group issued $715 million add-on 4.125% Senior Secured Notes due 2026. The notes are an add-on to the $500 million 4.125% Senior Secured Notes due 2026, issued in August 2019. Proceeds from the issuance of the notes, net of expenses, were used to redeem in full the $695 million 4.250% Senior Secured Notes due 2022, together with applicable redemption premium and accrued interest.

On June 10, 2020, the Ardagh Group issued €790 million 2.125% Senior Secured Notes due 2026. The notes are non-fungible mirror notes to the 2.125% Senior Secured Notes due 2026, issued in August 2019. Proceeds from the issuance of the notes, net of expenses, were used to redeem in full the €741 million 2.750% Senior Secured Notes due 2024, together with applicable redemption premium and accrued interest.

On October 23, 2020, the Ardagh Group launched a consent solicitation for consents from holders of the £400m 4.750% Senior Notes due 2027, to approve certain amendments to the Notes indentures. On November 4, 2020, the Ardagh Group obtained majority consents in connection with this consent solicitation.

Lease obligations at December 31, 2020, of $366 million primarily reflect $86 million of new lease liabilities and $9 million of unfavorable foreign currency movements, partly offset by $93 million of principal repayments in the year ended December 31, 2020.

At December 31, 2020 the Ardagh Group had $599 million available under the Global Asset Based Loan Facility.

Effective interest rates

The effective interest rates of borrowings at the reporting date are as follows:

	2021			2020		
	USD	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
6.500%/ 7.250% Senior Secured Toggle Notes due 2027	6.80 %	—	—	6.81 %	—	—
5.000%/ 5.750% Senior Secured Toggle Notes due 2027	—	5.39 %	—	—	5.39 %	—
Restricted Group						
5.250% Senior Secured Notes due 2025	5.86 %	—	—	5.32 %	—	—
4.125% Senior Secured Notes due 2026	4.31 %	—	—	4.32 %	—	—
2.125% Senior Secured Notes due 2026 (€439 million)	—	2.33 %	—	—	2.33 %	—
2.125% Senior Secured Notes due 2026 (€790 million)	—	3.28 %	—	—	3.29 %	—
6.000% Senior Notes due 2025	—	—	—	5.97 %	—	—
4.750% Senior Notes due 2027	—	—	4.99 %	—	—	4.99 %
5.250% Senior Notes due 2027 ($800 million)	5.50 %	—	—	5.50 %	—	—
5.250% Senior Notes due 2027 ($1,000 million)	6.42 %	—	—	6.42 %	—	—
Unrestricted Group						
2.000% Senior Secured Notes due 2028	—	2.30 %	—	—	—	—
3.250% Senior Secured Notes due 2028	3.58 %	—	—	—	—	—
3.000% Senior Notes due 2029	—	3.28 %	—	—	—	—
4.000% Senior Notes due 2029	4.31 %	—	—	—	—	—
	Various Currencies					
Lease obligations		4.79 %		—	5.27 %	—

The carrying amounts of the Group's net borrowings are denominated in the following currencies:

	At December 31,	
	2021	**2020**
	$'m	**$'m**
Euro	3,654	2,767
U.S. dollar	6,675	5,811
British pound	593	583
Other	38	42
	10,960	**9,203**

The Group has the following undrawn borrowing facilities:

	At December 31,	
	2021	**2020**
	$'m	**$'m**
Expiring within one year*	468	1
Expiring beyond one year	325	599
	793	**600**

*The Group's $500 million Group Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.

Fair value methodology

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:
Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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) Cross currency interest rate swaps ("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 value 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 Level 1 input.

Derivative financial instruments

	Assets	**Liabilities**	**Total**
	Fair values $'m	**Fair values $'m**	**Contractual or notional amounts $'m**
Fair value derivatives			
Metal forward contracts	100	2	281
Cross currency interest rate swaps	5	3	715
Forward foreign exchange contracts	15	13	3,301
NYMEX gas swaps	2	—	15
At December 31, 2021	**122**	**18**	**4,312**

	Assets	Liabilities	Total
	Fair values $'m	Fair values $'m	Contractual or notional amounts $'m
Fair value derivatives			
Metal forward contracts	29	6	346
Cross currency interest rate swaps	10	115	1,533
Forward foreign exchange contracts	6	9	693
NYMEX gas swaps	1	—	22
At December 31, 2020	**46**	**130**	**2,594**

Derivative instruments with a fair value of $12 million (2020: $9 million) are classified as non-current assets and $110 million (2020: $37 million) as current assets in the consolidated statement of financial position at December 31, 2021. Derivative instruments with a fair value of $4 million (2020: $26 million) are classified as non-current liabilities and $14 million (2020: $104 million) as current liabilities in the consolidated statement of financial position at December 31, 2021.

With the exception of interest on the CCIRS, all cash payments in relation to derivative instruments are paid or received when they mature. Bi-annual interest cash payments and receipts are made and received in relation to the CCIRS.

The Ardagh Group mitigates the counterparty risk for derivatives by contracting with major financial institutions which have high credit ratings.

Cross currency interest rate swaps

2021

The Ardagh Group hedges certain of its external borrowings and interest payable thereon using CCIRS, with a net asset position at December 31, 2021 of $2 million (December 31, 2020: $105 million net liability).

On February 15, 2021, a tranche of the Ardagh Group's $700 million U.S. dollar to euro CCIRS matured. The fair value of the swap at maturity was $6 million and the cash settlement was $5 million.

On August 4, 2021, the remaining $650 million tranche of the Ardagh Group's $700 million U.S. dollar to euro CCIRS matured. The fair value of the swaps at maturity were $61 million and the cash settlement was $63 million.

On August 4, 2021, a tranche of the Ardagh Group's $100 million U.S. dollar to euro CCIRS matured. The fair value of the swaps at maturity were $4 million and the cash settlement was $4 million.

2020

The Ardagh Group hedges certain of its external borrowings and interest payable thereon using CCIRS, with a net liability at December 31, 2020 of $105 million.

Net investment hedge in foreign operations

The Ardagh Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Ardagh Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Hedges of net investments in foreign operations are accounted for whereby any gain or loss on the hedging instruments relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to an ineffective portion is recognized immediately in the consolidated income statement within finance income or expense respectively. Gains and losses accumulated in other comprehensive income are recycled to the consolidated income statement when the foreign operation is disposed of. The amount that has been recognized in the consolidated income statement due to ineffectiveness is $1 million (2020: $1 million).

Metal forward contracts

The Ardagh Group hedges a substantial portion of its anticipated metal purchases. Excluding conversion and freight costs, the physical metal deliveries are priced based on the applicable indices agreed with the suppliers for the relevant month.

Fair values have been based on quoted market prices and are valued using Level 2 valuation inputs. The fair value of these contracts when initiated is $nil; no premium is paid or received.

Forward foreign exchange contracts

The Ardagh Group operates in a number of currencies and, accordingly, hedges a portion of its currency transaction risk. 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.

NYMEX gas swaps

The Ardagh Group hedges a portion of its Glass Packaging North America anticipated energy purchases on the New York Mercantile Exchange ("NYMEX").

Fair values have been based on NYMEX-quoted market prices and Level 2 valuation inputs have been applied. The fair value of these contracts when initiated is $nil; no premium is paid or received.

20. Employee benefit obligations

The Ardagh Group operates defined benefit or defined contribution pension schemes in most of its countries of operation and the assets are held in separately administered funds. The principal funded defined benefit schemes, which are funded by contributions to separately administered funds, are in the United States and the United Kingdom.

Other defined benefit schemes are unfunded, and the provision is recognized in the consolidated statement of financial position. The principal unfunded schemes are in Germany.

The contribution rates to the funded plans are agreed with the Trustee boards, plan actuaries and the local pension regulators periodically. The contributions paid in 2021 were those recommended by the actuaries.

In addition, the Ardagh Group has other employee benefit obligations in certain territories.

Total employee obligations, net of employee benefit assets included within non-current assets, recognized in the consolidated statement of financial position of $559 million (2020: $811 million) includes other employee benefit obligations of $100 million (2020: $117 million).

The employee obligations and assets of the defined benefit schemes included in the consolidated statement of financial position are analyzed below:

	U.S.		Germany		UK*		Other		Total	
	2021 $'m	**2020 $'m**	**2021 $'m**	**2020 $'m**	**2021 $'m**	**2020 $'m**	**2021 $'m**	**2020 $'m**	**2021 $'m**	**2020 $'m**
Obligations	(1,330)	(1,403)	(182)	(194)	(782)	(892)	(28)	(29)	**(2,322)**	**(2,518)**
Assets	1,179	1,151	—	—	672	663	12	10	**1,863**	**1,824**
Net obligations	**(151)**	**(252)**	**(182)**	**(194)**	**(110)**	**(229)**	**(16)**	**(19)**	**(459)**	**(694)**

* The net employee benefit asset in the UK metal packaging scheme as at December 31, 2021 is included within non-current assets on the statement of financial position (2020: included on a net basis within non-current liabilities).

Defined benefit pension schemes

The amounts recognized in the consolidated income statement are:

	Year ended December 31,	
	2021	2020
	$'m	$'m
Current service cost and administration costs:		
Cost of sales - current service cost (Note 7)	(28)	(27)
Cost of sales - past service credit (Note 7)	19	8
SGA - current service cost (Note 7)	(3)	(4)
	(12)	(23)
Finance expense (Note 5)	(11)	(14)
	(23)	**(37)**

The amounts recognized in the consolidated statement of comprehensive income are:

	Year ended December 31,	
	2021	2020
	$'m	$'m
Re-measurement of defined benefit obligation:		
Actuarial gain arising from changes in demographic assumptions	11	38
Actuarial gain/(loss) arising from changes in financial assumptions	67	(250)
Actuarial gain arising from changes in experience	11	9
	89	**(203)**
Re-measurement of plan assets:		
Actual return less expected return on plan assets	108	147
Actuarial gain/(loss) for the year on defined benefit pension schemes	**197**	**(56)**
Actuarial gain/(loss) on other long term and end of service employee benefits	14	(12)
	211	**(68)**

The actual return on plan assets was a gain of $140 million in 2021 (2020: $191 million gain).

Movement in the defined benefit obligations and assets:

	At December 31,			
	Obligations		Assets	
	2021	2020	2021	2020
	$'m	$'m	$'m	$'m
At January 1,	(2,518)	(2,349)	1,824	1,734
Interest income	—	—	32	44
Current service cost	(26)	(25)	—	—
Past service credit - net	19	3	—	—
Interest cost	(41)	(56)	—	—
Administration expenses paid from plan assets	—	—	(1)	(1)
Re-measurements	89	(203)	108	147
Obligations/(assets) extinguished on reclassification	1	32	(1)	(32)
Employer contributions	—	—	34	40
Employee contributions	(1)	—	1	—
Benefits paid	125	130	(125)	(130)
Exchange	30	(50)	(9)	22
At December 31,	**(2,322)**	**(2,518)**	**1,863**	**1,824**

The defined benefit obligations above include $189 million (2020: $203 million) of unfunded obligations. Interest income and interest cost above does not include interest cost of $2 million (2020: $2 million) relating to other employee benefit obligations. Current service costs above do not include current service costs of $5 million (2020: $6 million) relating to other employee benefit obligations.

During the year ended December 31, 2021, the Ardagh Group and the Trustees of the UK metal packaging and glass packaging schemes collaborated to implement a Bridging Pension Option for members on retirement around the starting level of pensions until the State Pension Age. This resulted in the recognition of a gain of $14 million within the income statement for the year ended December 31, 2021.

During the year ended December 31, 2021, the Ardagh Group recognized a $3 million past service credit in respect of the re-design of the pension plans in Ardagh Glass Packaging Germany, moving from a current defined benefit scheme into a contribution orientated scheme.

During the year ended December 31, 2021, the Ardagh Group recognized a $2 million past service credit related to a plan amendment in Ardagh Glass Packaging North America.

During December 31, 2020, the Ardagh Group recognized an exceptional expense of $5 million in relation to the 2019 Collective Bargaining Agreement in Ardagh Glass Packaging North America.

During the year ended December 31, 2020, the Ardagh Group recognized an $8 million past service credit in respect of the re-design of the pension plans in Ardagh Metal Packaging Germany, moving from a current defined benefit scheme into a contribution orientated scheme.

Plan assets comprise:

	At December 31,			
	2021 $'m	**2021 %**	**2020 $'m**	**2020 %**
Equities / multi strategy	1,140	61	1,121	61
Target return funds	255	14	256	14
Bonds	225	12	229	13
Cash/other	243	13	218	12
	1,863	**100**	**1,824**	**100**

The pension assets do not include any of the Company's ordinary shares, securities or other Ardagh Group assets.

Investment strategy

The choice of investments takes account of the expected maturity of the future benefit payments. The plans invest in diversified portfolios consisting of an array of asset classes that attempt to maximize returns while minimizing volatility. The asset classes include national and international equities, fixed income government and non government securities and real estate, as well as cash.

Characteristics and associated risks

Ardagh Glass Packaging North America and Ardagh Metal Packaging Americas sponsor a defined benefit pension plan which is subject to Federal law ("ERISA"), reflecting regulations issued by the Internal Revenue Service ("IRS") and the U.S. Department of Labor. Effective as of the end of the day on December 31, 2021, assets and liabilities for employees and former employees of Ardagh Metal Packaging Americas were transferred to a new plan, the Ardagh Metal Defined Benefit Plan.

The Ardagh Glass Packaging North America plan covers both hourly and salaried employees. The plan benefits are determined using a formula which reflects an employee's years of service and either their final average salary or a dollar per month benefit level. The plan is governed by a Fiduciary Benefits Committee ("the Committee") which is appointed by the Company and contains only employees of Ardagh Group. The Committee is responsible for the investment of the plan's assets, which are held in a trust for the benefit of employees, retirees and their beneficiaries, and which can only be used to pay plan benefits and expenses.

The defined benefit pension plan is subject to IRS funding requirements with actuaries calculating the minimum and maximum allowable contributions each year. The defined benefit pension plan currently has no cash contribution requirement due to the existence of a credit balance following a contribution of approximately $200 million made in 2014 in connection with the acquisition of Verallia North America. The Pension Benefit Guaranty Corporation ("PBGC") protects the pension benefits of employees and retirees when a plan sponsor becomes insolvent and can no longer meet its obligation. All plan sponsors pay annual PBGC premiums that have two components: a fixed rate based on participant count and a variable rate which is determined based on the amount by which the plan is underfunded.

The Ardagh Metal Packaging Americas plan covers hourly employees only. Plan benefits are determined using a formula which reflects the employees' years of service and is based on a final average pay formula.

The Ardagh Group operates a number of defined benefit pension schemes in Germany. The pension plans in Germany operate under the framework of German Company Pension Law (BetrAVG) and general regulations based on German labor law. The entitlements of the plan members depend on years of service and final salary. Furthermore, the plans provide lifelong pensions. No separate assets are held in trust, i.e. the plans are unfunded defined benefit plans. During the years ended 31 December 2021 and 2019, the Ardagh Group elected to re-design its pension schemes in Germany, moving to a contribution orientated scheme.

The U.K. pension plans are trust based U.K. funded final salary defined benefit schemes providing pensions and lump sum benefits to members and dependents. There is one U.K. pension plan in place relating to Ardagh Metal Packaging Europe. It is closed to new entrants and was closed to future accrual effective 31 December 2018. For this plan, pensions are calculated based on service to retirement, with members' benefits based on final career earnings. There are two U.K. pension plans in place in Ardagh Glass Packaging Europe. The U.K. pension plans relating to Ardagh Glass Packaging Europe have been closed to future accrual from 31 March 2013 and 30 September 2015 respectively. The U.K. pension plans are each governed by a board of trustees, which includes members who are independent of the Company. The trustees are responsible for managing the operation, funding and investment strategy. The U.K. pension plans are subject to the U.K. regulatory framework, the requirements of The Pensions Regulator and are subject to a statutory funding objective.

Assumptions and sensitivities

The principal pension assumptions used in the preparation of the financial statements take account of the different economic circumstances in the countries of operations and the different characteristics of the respective plans, including the duration of the obligations. The ranges of the principal assumptions applied in estimating defined benefit obligations were:

	U.S.		Germany		UK	
	2021 %	2020 %	2021 %	2020 %	2021 %	2020 %
Rates of inflation	2.20	2.50	1.70	1.50	3.20	2.75
Rates of increase in salaries	3.00	3.00	2.50	2.50	2.75	2.25
Discount rates	2.90 - 3.04	2.55	0.91 - 1.18	0.84 - 1.08	1.90	1.45 - 1.50

Assumptions regarding future mortality experience are based on actuarial advice in accordance with published statistics and experience.

These assumptions translate into the following average life expectancy in years for a pensioner retiring at age 65. The mortality assumptions for the countries with the most significant defined benefit plans are set out below:

	U.S.		Germany		UK	
	2021 Years	2020 Years	2021 Years	2020 Years	2021 Years	2020 Years
Life expectancy, current pensioners	22	22	22	22	22	20
Life expectancy, future pensioners	23	23	25	25	23	22

If the discount rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would increase by an estimated $176 million (2020: $204 million). If the discount rate were to increase by 50 basis points, the carrying amount of the pension obligations would decrease by an estimated $157 million (2020: $182 million).

If the inflation rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated $46 million (2020: $65 million). If the inflation rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated $50 million (2020: $68 million).

If the salary increase rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated $51 million (2020: $67 million). If the salary increase rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated $56 million (2020: $71 million).

The impact of increasing the life expectancy by one year would result in an increase in the Ardagh Group's liability of $74 million at 31 December 2021 (2020: $80 million), holding all other assumptions constant.

The Ardagh Group's best estimate of contributions expected to be paid to defined benefit plans in 2022 is $27 million (2021: $27 million).

The principal defined benefit schemes are described briefly below as of December 31,:

	Ardagh Metal Packaging			Ardagh Glass Packaging		
Nature of the schemes	**Europe UK* Funded**	**Europe Germany Unfunded**	**North America Funded**	**Europe UK* Funded**	**Europe Germany Unfunded**	**North America Funded**
2021						
Active members	—	816	808	—	863	1,457
Deferred members	589	202	75	1,056	674	2,409
Pensioners including dependents	531	154	83	885	780	6,724
Weighted average duration (years)	18	19	20	20	14	12
2020						
Active members	—	856	829	—	922	3,462
Deferred members	808	195	58	1,240	682	2,631
Pensioners including dependents	475	121	59	815	779	6,689
Weighted average duration (years)	20	20	21	21	19	12

* Census data is updated every 3 years as part of the full valuation for purpose of the UK pension regulator.

The expected total benefit payments over the next five years are:

	2022 $'m	2023 $'m	2024 $'m	2025 $'m	2026 $'m	Subsequent five years $'m
Benefits	122	119	121	123	125	644

The Ardagh Group also has defined contribution plans; the contribution expense associated with these plans for 2021 was $51 million (2020: $47 million). The Ardagh Group's best estimate of the contributions expected to be paid to these plans in 2022 is $52 million (2021: $50 million).

Other employee benefits

	At December 31,	
	2021 $'m	**2020 $'m**
End of service employee benefits	2	3
Post-employment benefits	98	114
	100	**117**

End of service employee benefits principally comprise amounts due to be paid to employees leaving the Ardagh Group's service in Poland and Italy.

Post employment benefit obligations comprise amounts due to be paid under post retirement medical schemes in Glass Packaging North America and Ardagh Metal Packaging Americas, partial retirement contracts in Germany and other obligations to pay benefits primarily related to long service awards.

21. Provisions and other liabilities

	At December 31,	
	2021 $'m	2020 $'m
Provisions		
Current	51	55
Non-current	57	55
Other liabilities		
Non-current	33	—
	141	**110**

Provisions

	Restructuring $'m	Other provisions $'m	Total provisions $'m
At January 1, 2020	**5**	**78**	**83**
Provided	1	49	50
Released	(1)	(8)	(9)
Paid	(1)	(15)	(16)
Exchange	—	2	2
At December 31, 2020	**4**	**106**	**110**
Acquisition	—	17	17
Provided	1	38	39
Released	(4)	(16)	(20)
Paid	—	(36)	(36)
Exchange	—	(2)	(2)
At December 31, 2021	**1**	**107**	**108**

The restructuring provision relates to redundancy and other restructuring costs. Other provisions relate to probable environmental claims, customer quality claims, tax deferrals arising from the CARES Act., and specifically in Ardagh Glass Packaging North America, workers' compensation provisions. In addition to the aforementioned, provisions also include non-current amounts in respect of annual, long-term (three-year), cash bonus incentive programs for senior management of the Ardagh Group, of approximately $24 million. Current amounts in respect of long term incentive programs are included in trade and other payables.

The provisions classified as current are expected to be paid in the next twelve months. The remaining balance represents longer term provisions for which the timing of the related payments is subject to uncertainty.

Other Liabilities

As further outlined in note 1 all warrants previously exercisable for the purchase of shares in Gores Holdings V were converted into AMP warrants exercisable for the purchase of shares in AMP at an exercise price of $11.50 over a five-year period after closing of the Merger. In accordance with IAS 32, those warrants have been recognized as a financial liability measured at fair value in the consolidated financial statements. The estimated valuation of the liability as of August 4 and December 31, 2021 were $41 million and $33 million, respectively. The initial recognition of the liability as of August 4, was reflected as part of the exceptional $205 million costs of the service for the listing of the AMP shares discussed in note 24. Any subsequent changes in the valuation have been reflected in net exceptional finance expense. The warrants issued to former public shareholders of Gores Holdings V ("Public Warrants") were valued using the traded closing price of the AMP warrants. For the warrants issued to the former sponsors ("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 (34%) and risk-free rate. Any increase or decrease in volatility of 5% would result in an increase or decrease in the fair value of the Private Warrants of approximately $1 million.

22. Trade and other payables

	At December 31,	
	2021	2020
	$'m	$'m
Trade payables	1,607	1,137
Other payables and accruals	362	275
Other tax and social security payable	114	130
Payables and accruals for exceptional items	107	41
	2,190	**1,583**

The fair values of trade and other payables approximate the amounts shown above.

Other payables and accruals mainly comprise accruals for operating expenses, deferred income and value added tax payable.

Trade Payables Processing

Our suppliers have access to independent third party payable processors. The processors allow suppliers, if they choose, to sell their receivables to financial institutions at the sole discretion of both the supplier and the financial institution. We have no involvement in the sale of these receivables and the suppliers are at liberty to use these arrangements if they wish to receive early payment. As the original liability to our suppliers, including amounts due and scheduled payment dates, remains as agreed in our supply agreements and is neither legally extinguished nor substantially modified, the Ardagh Group continues to present such obligations within trade payables.

23. Related party balances

At December 31, 2021, ARD Finance S.A. had related party loan receivable balances of $322 million (2020: $332 million) with ARD Securities Finance Sarl and $13 million with ARD Holdings S.A..

During the year ended December 31, 2020, ARD Finance S.A. issued loans of $25m to ARD Securities Finance Sarl. During the year ended December 31, 2020, ARD Securities Finance Sarl repaid loans of $42m to ARD Finance S.A..

24. Non-controlling interests

As a result of the completion of the Business Combination and the completion of the Exchange Offer as outlined in Note 1 – General information, Ardagh holds approximately 75.3% in AMP, with the balance of 24.7% represented by non-controlling interests. For further details around initial composition of these holdings, please refer to Note 1 – General information.

The effect on the equity attributable to the owners of AMP is Summarized as follows:

	At December 31,
	2021
	$'m
Carrying amount of non-controlling interests disposed	(57)
Consideration received from non-controlling interests *	922
Excess of consideration received recognized in the transactions with the non-controlling interests reserve within retained earnings	865

*Total consideration is comprised of $954 million cash received, offset by $32 million of directly attributable transaction costs related to the issuance of the non-controlling interest, of which $29 million have been paid as of December 31, 2021. Further consideration comprises $392 million of AMP shares exchanged in relation to the exchange offer as outlined in note 1 – General information.

The effect on the equity of the cancellation of tendered shares as a result of the exchange offer as outlined in note 1 – General information is summarized as follows:

	At December 31, 2021 $'m
Carrying amount of non-controlling interests disposed	(18)
Carrying amount of non-controlling interests acquired	15
Net impact recognized in the transactions with the non-controlling interests reserve within retained earnings	**(3)**

The Ardagh Group incurred $5 million of directly related expense in conjunction with the exchange offer, which are presented as a deduction of equity within other reserves, and of which $4 million have been paid as of December 31, 2021 No gain or loss has been recognized on the exchange offer.

Upon the completion of the Business Combination and the exchange offer, both outlined in note 1 – General information, a historical cumulative loss of $3 million in the foreign currency translation reserve has been re-attributed to the new non-controlling interest.

Summarized financial information, as of the date these consolidated financial statements were authorized for issue, for AMP for the year ended and as at December 31, 2021 is set out below:

	Year ended December 31, 2021 (i) $'m
Revenue	4,055
Expenses	(4,008)
Operating profit	**47**
Net finance expense	(235)
Loss before tax	**(188)**
Income tax expense	(22)
Loss after tax	**(210)**

(i) The income statement for the year ended December 31, 2021 includes exceptional items of $312 million, in accordance with Ardagh accounting policy, of which $57 million is in respect of exceptional interest expense. Also included is $178 million of non-exceptional interest expense and $343 million of depreciation and amortization.

	At December 31, 2021 $'m
Non-current assets	3,664
Current assets (ii)	1,661
Total assets	**5,325**
Total equity	**286**
Non-current liabilities (iii)	3,639
Current liabilities (iv)	1,400
Total liabilities	**5,039**
Total equity and liabilities	**5,325**

(ii) Includes cash and cash equivalents of $0.5 billion.

(iii) Includes non-current financial liabilities (excluding other payables and provisions) of $3.3 billion.

(iv) Includes current financial liabilities (excluding trade and other payables and provisions) of $0.1 billion.

As at December 31, 2021, AMP had net debt of $2.4 billion.

No dividend has been paid to the non-controlling interest during the year ended December 31, 2021.

Management exercised significant judgment when accounting for the Merger under IFRS 2. The difference in the fair value of equity instruments issued by AMP, over the fair value of identifiable net assets of Gores Holdings V (including the fair value of assumed Gores Public and Private Warrants of $41 million – see note 21) represents a service for listing of the shares in AMP and is accounted for as a share-based payment expense in accordance with IFRS 2.

In accordance with IFRS 2, the increase in equity for equity-settled share-based payments are measured directly at the fair value of the goods or services received. Management have used the market value of the Gores Holdings V equity and

warrants as the basis for estimating the market value of the instruments to be issued by AMP as the Gores Holdings V instruments (equity and warrants) were publicly traded at the time of the Merger.

The cost of such service, which is a fully vested non-cash and non-recurring expense, is calculated as shown in the table below, using Gores Holdings V market prices as of August 4, 2021 (the "Closing Date") for the Gores Holdings V Class A common stock to be exchanged for shares in AMP.

	Shares	**$'m**
Class A stockholders	30,175,827	
Class F stockholders	9,843,750	
Total shares to be issued to Gores Holdings V stockholders	**40,019,577**	
Market value per share at the Closing Date	$10.59	
Fair value of shares to be issued to Gores Holdings V in consideration for combination		**424**
Net assets of Gores Holdings V at Closing Date (including fair value of assumed Public and Private Warrants as discussed in note 21)		219
Difference – being IFRS 2 charge for listing services		**205**

The cost for the listing service of $205 million have been presented as an exceptional item as outlined in note 4, with an offset in other reserves of $164 million and in provisions and other liabilities of $41 million (see note 21), respectively.

25. Cash generated from operating activities

	Year ended December 31,	
	2021	**2020**
	$'m	**$'m**
Loss from continuing operations	**(871)**	**(98)**
Income tax (credit)/charge (Note 6)	(18)	10
Net finance expense (Note 5)	482	449
Depreciation and amortization (Notes 8, 9)	746	688
Exceptional operating items (Note 4)	851	58
Share of post-tax loss in equity accounted joint venture (Note 11)	55	48
Movement in working capital	(86)	(31)
Transaction-related, start-up and other exceptional costs paid	(200)	(86)
Exceptional restructuring paid	—	(1)
Cash generated from continuing operations	**959**	**1,037**

26. Business combinations and disposals

On October 31, 2019, the Ardagh Group completed the combination of Food & Specialty metal packaging business with the business of Exal to form Trivium. Consequently, from October 31, 2019, Food & Specialty metal packaging business has been accounted for as a discontinued operation. During the year ended December 31, 2020, the Ardagh Group recognized a credit of $22 million, primarily as a result of a gain arising from the remeasurement of consideration for the disposal. The net proceeds from disposal is $32 million in the year ended December 31, 2020.

Please refer to note 8 – Intangible assets for disclosure around the Hart Print acquisition and note 9 – Property, plant and equipment for disclosure around the Longhorn glass manufacturing facility acquisition.

27. Related party information

(i) Interests of Paul Coulson

At the date of this report, ARD Holdings S.A. is controlled by Paul Coulson, our Chairman, as a result of his 19.13% stake in ARD Holdings S.A. and his 52.42% stake in Yeoman Capital S.A., which in turn owns 34.42% of the equity interests in ARD Holdings S.A..

(ii) Common directorships

Four of the ARD Holdings S.A. directors (Paul Coulson, Brendan Dowling, Gerald Moloney and Hermanus Troskie) also serve as directors in the Yeoman group of companies. With the exception of Abigail Blunt, Oliver Graham, The Rt. Hon. the Lord Hammond of Runnymede, Damien O'Brien and Edward White, all of the directors of Ardagh Group S.A. are members of the board of directors of ARD Holdings S.A..

(iii) Joint ventures

The Group's interests held in joint ventures are related parties and these are set out in further detail in Notes 10 and 11. Transactions with joint ventures were not material for any of the years presented.

(iv) Key management compensation

Key management are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group. Key management is comprised of the members who served on the Board and the Ardagh Group's executive leadership team during the reporting period. The amount outstanding at year end was $8 million (2020: $8 million).

	Year ended December 31,	
	2021	**2020**
	$'m	**$'m**
Salaries and other short-term employee benefits	20	18
Post-employment benefits	1	1
	21	**19**
Transaction related and other compensation	101	1
	122	**20**

(v) Pension schemes

The Ardagh Group's pension schemes are related parties. For details of all transactions during the year, please see Note 20.

(vi) Related party balances

With the exception of the balances outlined in (i) to (v) above and note 23, there are no material balances outstanding with related parties at December 31, 2021.

(vii) Related party transactions

During the reporting period, the Company and its subsidiaries entered into transactions relating to non-executive director and office rental fees with members of the Maitland group of companies with Hermanus Troskie being a director of the Company as well as a shareholder and director of Maitland International Holdings Plc.

(viii) Toggle / PIK Notes

In November 2019, ARD Finance S.A. issued the Toggle Notes to, among other things, refinance certain toggle notes issued by it in September 2016 (the "September 2016 Toggle Notes") and certain PIK notes issued by ARD Securities Finance Sarl in January 2018 ("January 2018 PIK Notes"). Certain directors of the Company that held September 2016 Toggle Notes and January 2018 PIK Notes prior to the refinancing acquired and hold Toggle Notes issued in the refinancing.

(ix) Subsidiaries

The following table provides information relating to our principal operating subsidiaries at December 31, 2021.

Company	Country of incorporation	Activity
Ardagh Metal Beverage Manufacturing Austria GmbH	Austria	Metal Packaging
Ardagh Metal Beverage Trading Austria GmbH	Austria	Metal Packaging
Latas Indústria de Embalagens de Alumínio do Brasil Ltda.	Brazil	Metal Packaging
Ardagh Indústria de Embalagens de Metálicas do Brasil Ltda.	Brazil	Metal Packaging
Hart Print Inc.	Canada	Metal Packaging
Ardagh Glass Holmegaard A/S	Denmark	Glass Packaging
Ardagh Metal Beverage Trading France SAS	France	Metal Packaging
Ardagh Metal Beverage France SAS	France	Metal Packaging
Ardagh Glass GmbH	Germany	Glass Packaging
Heye International GmbH	Germany	Glass Engineering
Ardagh Metal Beverage Trading Germany GmbH	Germany	Metal Packaging
Ardagh Metal Beverage Germany GmbH	Germany	Metal Packaging
Ardagh Glass Sales Limited	Ireland	Glass Packaging
Ardagh Glass Italy S.r.l.	Italy	Glass Packaging
Ardagh Glass Dongen B.V.	Netherlands	Glass Packaging
Ardagh Glass Moerdijk B.V.	Netherlands	Glass Packaging
Ardagh Metal Beverage Trading Netherlands B.V.	Netherlands	Metal Packaging
Ardagh Metal Beverage Netherlands B.V.	Netherlands	Metal Packaging
Ardagh Glass S.A.	Poland	Glass Packaging
Ardagh Metal Beverage Trading Poland Sp. z o.o	Poland	Metal Packaging
Ardagh Metal Beverage Poland Sp. z o.o	Poland	Metal Packaging
Ardagh Metal Beverage Trading Spain SL	Spain	Metal Packaging
Ardagh Metal Beverage Spain SL	Spain	Metal Packaging
Ardagh Glass Limmared AB	Sweden	Glass Packaging
Ardagh Metal Beverage Europe GmbH	Switzerland	Metal Packaging
Ardagh Glass Limited	United Kingdom	Glass Packaging
Ardagh Metal Beverage Trading UK Limited	United Kingdom	Metal Packaging
Ardagh Metal Beverage UK Limited	United Kingdom	Metal Packaging
Ardagh Metal Beverage USA Inc.	United States	Metal Packaging
Ardagh Glass Inc.	United States	Glass Packaging
Ardagh Glass Packaging USA Inc.	United States	Glass Packaging

28. 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 Ardagh Group believes that none of these proceedings, either individually or in aggregate, will have a material adverse effect on its business, financial condition, results of operations or cash flows.

29. Other information

Cyber security incident and insurance recoverable

On May 17, 2021, the Ardagh Group announced that it had experienced a cyber security incident, the response to which included pro-actively shutting down certain IT systems and applications used by the business. Key systems were brought back online securely, in a phased manner and in line with our plan. Production at all of our manufacturing facilities continued to operate throughout this period, though we experienced some shipping delays as a result of this incident.

We believe that our existing information technology control environment is appropriately robust and consistent with industry standards. However, we are reviewing our information technology roadmap and accelerating planned IT investments to further improve the effectiveness of our information security. We do not believe that our growth investment program has been impacted by this incident. The Ardagh Group notified relevant authorities in relation to the exfiltration and dissemination of data which arose in connection with this incident. We do not expect further material costs to arise from the incident.

During the year ended December 31, 2021, the Ardagh Group recognized $63 million of costs related to this incident, including $34 million of exceptional costs. AMP incurred $31 million of the total Group costs, including $5 million exceptional related costs, due to this incident, which the Company indemnified in full by December 31, 2021, pursuant to a letter agreement with AMP, dated May 31, 2021, under which we agreed to indemnify, defend and hold harmless AMP, its subsidiaries and their respective successors from and against any and all losses that were incurred prior to December 31, 2021, resulting from this cyber security incident. In accordance with our insurance recoverable accounting policy, the Ardagh Group recognized an insurance recoverable of $35 million at December 31, 2021, being $58 million in relation to costs deemed virtually certain to be recovered based on the demonstratable entitlement to such recovery, net of $23 million of insurance proceeds received. The remaining $35 million was received in January 2022.

30. Events after the reporting period

Exchange offer toggle notes

On December 15, 2021, ARD Finance S.A. commenced a tender offer to holders of the Toggle Notes to use approximately $485 million (equivalent) towards the repurchase of its outstanding Toggle Notes. Based on the prevailing exchange rate as of the expiration date on January 14, 2022 , the total amount available in escrow to fund the repurchases, including premium and accrued and unpaid interest was $486 million (equivalent) (the "Maximum Escrow Offer Acceptance Amount"). In accordance with the tender offer, ARD Finance S.A. made pro rata allocations for amounts accepted for repurchase up to the Maximum Escrow Offer Acceptance Amount and applied amounts in excess to the Maximum Escrow Offer Acceptance Amount on a discretionary basis. As a result, on January 19, 2022 €204 million were redeemed from the Euro Toggle Notes and $235 million were redeemed from the Dollar Toggle Notes.

Global Asset Based Loan Facility Extension

The Ardagh Group’s $500 million Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.