ArdaghGroup

ARD Finance S.A. Interim Report

For the three months ended March 31, 2021

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TABLE OF CONTENTS

Unaudited consolidated interim financial statements for the three months ended March 31, 2021

Management Report

PRELIMINARY INFORMATION

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

The Company is a holding company whose assets as of March 31, 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. has Class A common shares listed on the New York Stock Exchange (“NYSE”).

All of the business of the group of companies controlled by ARD Finance S.A. (the “Group”) is conducted by Ardagh Group S.A. (“Ardagh”) and its subsidiaries (together, the “Ardagh Group”). The Ardagh Group and its subsidiaries are a leading supplier of sustainable innovative, value-added rigid packaging solutions. The Ardagh Group’s products include metal beverage cans and glass containers primarily for beverage and food markets. End-use categories include beer, wine, spirits, carbonated soft drinks, energy drinks, juices and water, as well as food and pharmaceuticals. The Ardagh Group also holds a stake of approximately 42% in Trivium Packaging B.V. (“Trivium”), a leading supplier of metal packaging in the form of cans and aerosol containers, serving a broad range of end-use categories, principally including food, seafood, pet food and nutrition, as well as beauty and personal care.

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

All of the financing of the Group other than the $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 10) are liabilities of the Ardagh Group. The Company and those of its subsidiaries who are above Ardagh Group S.A. in the corporate structure are referred to as the “ARD Finance Group”.

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

As used herein, “we”, “our” and “us” refer to the Ardagh Group and its consolidated subsidiaries, unless the context requires otherwise.

SELECTED FINANCIAL INFORMATION

The following discussion should be read together with, and is qualified in its entirety by, reference to the unaudited consolidated interim financial statements for the three months ended March 31, 2021, including the related notes thereto.

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

	Three months ended March 31,	
Income statement data	**2021**	**2020**
	(in $ millions, except ratios and percentages)	
Revenue	1,774	1,622
Adjusted EBITDA[1]	**300**	**273**
Depreciation and amortization	(183)	(167)
Exceptional operating items[2]	(8)	(3)
Net finance expense[3]	(102)	(62)
Share of post-tax loss in equity accounted joint venture	(18)	(3)
(Loss)/profit before tax	**(11)**	**38**
Income tax charge	(14)	(10)
(Loss)/profit from continuing operations	**(25)**	**28**
Profit from discontinued operation	—	27
(Loss)/profit for the period	**(25)**	**55**
Other data		
Adjusted EBITDA margin[1]	16.9%	16.8%
Net interest expense[4]	105	98
Capital expenditure[5]	247	126
Balance sheet data	**At March 31, 2021**	**At December 31, 2020**
	(in $ millions, except ratios)	
Cash and cash equivalents[6]	950	1,298
Restricted cash in escrow[7]	2,764	-
Total assets	12,655	10,016
Total equity	(2,209)	(2,348)
Net debt[8]	8,224	8,010
Ratio of net debt to Adjusted EBITDA[1] [8] [9]	7.0x	6.9x

All footnotes are on page 7 of this document.

OPERATING AND FINANCIAL REVIEW

Review of the three months ended March 31, 2021

Bridge of 2020 to 2021 reported Revenue

Revenue	Metal Beverage Packaging Europe	Metal Beverage Packaging Americas	Glass Packaging Europe	Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
Revenue 2020	**385**	**444**	**384**	**409**	**1,622**
Organic	19	59	(7)	16	87
FX translation	32	—	33	—	65
Revenue 2021	**436**	**503**	**410**	**425**	**1,774**

Bridge of 2020 to 2021 reported Adjusted EBITDA

Adjusted EBITDA	Metal Beverage Packaging Europe	Metal Beverage Packaging Americas	Glass Packaging Europe	Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
Adjusted EBITDA 2020	**54**	**61**	**89**	**69**	**273**
Organic	7	21	—	(14)	14
FX translation	5	—	8	—	13
Adjusted EBITDA 2021	**66**	**82**	**97**	**55**	**300**
2021 margin %	**15.1%**	**16.3%**	**23.7%**	**12.9%**	**16.9%**
2020 margin %	**14.0%**	**13.7%**	**23.2%**	**16.9%**	**16.8%**

Revenue

Revenue in the three months ended March 31, 2021 increased by $152 million to $1,774 million, compared with $1,622 million in the three months ended March 31, 2020. Excluding favourable foreign currency translation effects of $65 million, revenue increased by $87 million.

Metal Beverage Packaging Europe: Revenue increased by $51 million, or 13%, to $436 million in the three months ended March 31, 2021, compared with $385 million in the three months ended March 31, 2020. Excluding favorable foreign currency translation effects of $32 million, revenue increased by $19 million, mainly due to volume/mix growth of 4%, which includes an impact of the Group's business growth investment program, and by selling price increases related to the pass through of higher metal costs.

Metal Beverage Packaging Americas: Revenue increased by $59 million, or 13%, to $503 million in the three months ended March 31, 2021, compared with $444 million in the three months ended March 31, 2020. The increase in revenue principally reflected favorable volume/mix effects of 9%, which includes an impact of the Group's business growth investment program, and selling price increases related to the pass through of higher input costs.

Glass Packaging Europe: Revenue increased by $26 million, or 7%, to $410 million in the three months ended March 31, 2021, compared with $384 million in the three months ended March 31, 2020. Excluding favorable foreign currency translation effects of $33 million, revenue decreased by $7 million, principally due to lower engineering activity.

Glass Packaging North America: Revenue increased by $16 million, or 4%, to $425 million in the three months ended March 31, 2021, compared with $409 million in the three months ended March 31, 2020. The increase in revenue reflected favorable volume/mix effects of 3% and the pass through of higher input costs.

Adjusted EBITDA

Adjusted EBITDA in the three months ended March 31, 2021 increased by $27 million, or 10%, to $300 million, compared with $273 million in the three months ended March 31, 2020.

Metal Beverage Packaging Europe: Adjusted EBITDA increased by $12 million, or 22%, to $66 million in the three months ended March 31, 2021, compared with $54 million in the three months ended March 31, 2020. Excluding favorable foreign currency translation effects of $5 million, Adjusted EBITDA increased by $7 million, principally due to favorable volume/mix effects, which includes an impact of the Group's business growth investment program.

Metal Beverage Packaging Americas: Adjusted EBITDA increased by $21 million, or 34%, to $82 million in the three months ended March 31, 2021, compared with $61 million in the three-month period ended March 31, 2020. The increase was mainly driven by favorable volume/mix effects, which includes an impact of the Group's business growth investment program, and lower operating costs.

Glass Packaging Europe: Adjusted EBITDA increased by $8 million, or 9%, to $97 million in the three months ended March 31, 2021, compared with $89 million in the three months ended March 31, 2020. Excluding favorable foreign currency translation effects of $8 million, Adjusted EBITDA was unchanged compared with the same period last year.

Glass Packaging North America: Adjusted EBITDA decreased by $14 million, or 20%, to $55 million in the three months ended March 31, 2021, compared with $69 million in the three months ended March 31, 2020. The decrease was mainly as a result of increased freight and other operating costs including related to severe weather events in the United States during the quarter.

Footnotes to the Selected Financial Information

(1) Adjusted EBITDA consists of profit/(loss) for the year before income tax charge/(credit), net finance expense, depreciation and amortization, exceptional operating items and share of profit or 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 unaudited consolidated interim income statements for the three months ended March 31, 2021, presented in the subsequent pages in this report.

(3) Includes exceptional finance income and expense.

(4) Net interest expense is as set out in note 6 to the unaudited consolidated interim financial statements.

(5) 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 unaudited consolidated interim statement of cash flows.

(6) Cash and cash equivalents includes restricted cash and excludes restricted cash in escrow.

(7) Represents the associated restricted cash in escrow on the AMP Notes Issuance as outlined in this report's preliminary information section.

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

(9) Net debt to Adjusted EBITDA ratio at March 31, 2021 of 7.0x, is based on net debt at March 31, 2021 of $8,224 million and reported LTM Adjusted EBITDA for the twelve months ended March 31, 2021 of $1,182 million. Net debt to Adjusted EBITDA ratio at December 31, 2020 of 6.9x, is based on net debt at December 31, 2020 of $8,010 million and LTM Adjusted EBITDA for the twelve months ended December 31, 2020 of $1,155 million.

Unaudited Consolidated Interim Financial Statements

ARD FINANCE S.A.
CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited Three months ended March 31, 2021			Unaudited Three months ended March 31, 2020		
	Note	Before exceptional items $'m	Exceptional items $'m	Total $'m	Before exceptional items $'m	Exceptional items $'m	Total $'m
			Note 5			Note 5	
Revenue	4	1,774	—	1,774	1,622	—	1,622
Cost of sales		(1,496)	(3)	(1,499)	(1,360)	—	(1,360)
Gross profit		**278**	**(3)**	**275**	**262**	**—**	**262**
Sales, general and administration expenses		(100)	(5)	(105)	(98)	(3)	(101)
Intangible amortization		(61)	—	(61)	(58)	—	(58)
Operating profit		**117**	**(8)**	**109**	**106**	**(3)**	**103**
Net finance expense	6	(97)	(5)	(102)	(62)	—	(62)
Share of post-tax loss in equity accounted joint venture	8	(5)	(13)	(18)	1	(4)	(3)
Profit/(loss) before tax		**15**	**(26)**	**(11)**	**45**	**(7)**	**38**
Income tax charge		(16)	2	(14)	(24)	14	(10)
(Loss)/profit from continuing operations		**(1)**	**(24)**	**(25)**	**21**	**7**	**28**
Profit from discontinued operation, net of tax	14	—	—	—	–	27	27
(Loss)/profit for the period		**(1)**	**(24)**	**(25)**	**21**	**34**	**55**
(Loss)/profit attributable to:							
Equity holders				(25)			48
Non-controlling interests				—			7
(Loss)/profit for the period				**(25)**			**55**

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

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

	Note	Unaudited Three months ended March 31, 2021 $'m	2020 $'m
(Loss)/profit for the period		**(25)**	**55**
Other comprehensive income/(expense):			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
-Arising in the period		50	12
		50	**12**
Effective portion of changes in fair value of cash flow hedges:			
-New fair value adjustments into reserve		67	4
-Movement out of reserve to income statement		(28)	(15)
-Movement in deferred tax		(7)	6
		32	**(5)**
Loss recognized on cost of hedging:			
-New fair value adjustments into reserve		(1)	(4)
-Movement out of reserve		(1)	—
		(2)	**(4)**
Share of other comprehensive (expense)/income in equity accounted joint venture	8	(14)	5
Items that will not be reclassified to income statement			
-Re-measurement of employee benefit obligations	11	152	(35)
-Deferred tax movement on employee benefit obligations		(36)	18
		116	**(17)**
Share of other comprehensive income in equity accounted joint venture	8	7	6
Total other comprehensive income/(expense) for the period		**189**	**(3)**
Total comprehensive income for the period		**164**	**52**
Attributable to:			
Equity holders		154	47
Non-controlling interests		10	5
Total comprehensive income for the period		**164**	**52**
Attributable to:			
Continuing operations		164	25
Discontinued operation		–	27
Total comprehensive income for the period		**164**	**52**

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

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

	Note	Unaudited At March 31, 2021 $'m	Unaudited At December 31, 2020 $'m
Non-current assets			
Intangible assets	7	2,650	2,756
Property, plant and equipment	7	3,105	2,945
Derivative financial instruments		19	9
Deferred tax assets		214	245
Investment in material joint venture	8	349	390
Related party loan receivable	13	322	322
Other non-current assets		75	73
		6,734	**6,740**
Current assets			
Inventories		957	923
Trade and other receivables		1,015	869
Contract assets		157	139
Derivative financial instruments		63	37
Related party interest receivable	13	15	10
Cash and cash equivalents	10	950	1,298
Restricted cash in escrow	10	2,764	—
		5,921	**3,276**
TOTAL ASSETS		**12,655**	**10,016**
Equity attributable to owners of the parent			
Issued capital	9	—	—
Other reserves		210	151
Retained earnings		(2,405)	(2,478)
		(2,195)	**(2,327)**
Non-controlling interests		(14)	(21)
TOTAL EQUITY		**(2,209)**	**(2,348)**
Non-current liabilities			
Borrowings	10	11,430	8,823
Lease obligations	10	342	283
Employee benefit obligations		651	811
Derivative financial instruments		16	26
Deferred tax liabilities		376	369
Provisions		51	55
		12,866	**10,367**
Current liabilities			
Borrowings	10	8	14
Lease obligations	10	92	83
Interest payable		125	43
Derivative financial instruments		62	104
Trade and other payables		1,526	1,583
Income tax payable		117	115
Provisions		50	55
Dividends payable by subsidiary to non-controlling interest		3	—
Dividends payable to parent company	13	15	—
		1,998	**1,997**
TOTAL LIABILITIES		**14,864**	**12,364**
TOTAL EQUITY and LIABILITIES		**12,655**	**10,016**

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

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

	Unaudited								
	Attributable to the owner of the parent								
	Share capital $'m	Capital Contribution $'m	Foreign currency translation reserve $'m	Cash flow hedge reserve $'m	Cost of hedging reserve $'m	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)**
Profit for the period	—	—	—	—	—	48	**48**	7	**55**
Other comprehensive income/(expense)	—	—	17	(5)	(4)	(9)	**(1)**	(2)	**(3)**
Hedging losses transferred to cost of inventory	—	—	—	5	—	—	**5**	—	**5**
At March 31, 2020	**—**	**—**	**259**	**(11)**	**7**	**(2,281)**	**(2,026)**	**(4)**	**(2,030)**
At January 1, 2021	**—**	**10**	**88**	**41**	**12**	**(2,478)**	**(2,327)**	**(21)**	**(2,348)**
Loss for the period	—	—	—	—	—	(25)	**(25)**	—	**(25)**
Other comprehensive income/(expense)	—	—	37	31	(2)	113	**179**	10	**189**
Hedging gains transferred to cost of inventory	—	—	—	(7)	—	—	**(7)**	—	**(7)**
Dividends	—	—	—	—	—	(15)	**(15)**	—	**(15)**
Dividends by subsidiary to non-controlling interest	—	—	—	—	—	—	**—**	(3)	**(3)**
At March 31, 2021	**—**	**10**	**125**	**65**	**10**	**(2,405)**	**(2,195)**	**(14)**	**(2,209)**

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

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

		Unaudited	
		Three months ended March 31,	
		2021	2020
	Note	$'m	$'m
Cash flows used in operating activities			
Cash generated used in continuing operations	12	(12)	(191)
Interest paid		(19)	(85)
Income tax paid		(4)	(12)
Cash flows used in operating activities		**(35)**	**(288)**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(244)	(124)
Purchase of software and other intangibles		(3)	(2)
Other investing cash flows		(13)	—
Net cash used in investing activities		**(260)**	**(126)**
Cash flows from financing activities			
Proceeds from borrowings		—	832
Repayment of borrowings		(6)	(18)
Lease payments		(27)	(22)
Deferred debt issue costs paid		(4)	(6)
Consideration paid on maturity of derivative financial instruments	10	(5)	—
Net cash (outflow)/inflow from financing activities		**(42)**	**786**
Net (decrease)/increase in cash and cash equivalents		**(337)**	**372**
Cash and cash equivalents at beginning of period		1,298	663
Foreign exchange losses on cash and cash equivalents		(11)	(27)
Cash and cash equivalents at end of period	10	**950**	**1,008**

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

Notes to the Unaudited Consolidated Interim Financial Statements

1. General information

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

The Company is a holding company whose assets as of March 31, 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. has Class A common shares listed on the New York Stock Exchange.

All of the business of the group of companies controlled by ARD Finance S.A. is conducted by Ardagh Group S.A. and its subsidiaries. The Ardagh Group and its subsidiaries are a leading supplier of sustainable innovative, value-added rigid packaging solutions. The Ardagh Group's products include metal beverage cans and glass containers primarily for beverage and food markets. End-use categories include beer, wine, spirits, carbonated soft drinks, energy drinks, juices and water, as well as food and pharmaceuticals. The Ardagh Group also holds a stake of approximately 42% in Trivium Packaging B.V., a leading supplier of metal packaging in the form of cans and aerosol containers, serving a broad range of end-use categories, principally including food, seafood, pet food and nutrition, as well as beauty and personal care.

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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 are liabilities of the Ardagh Group. The Company and those of its subsidiaries who are above Ardagh Group S.A. in the corporate structure are referred to as the "ARD Finance Group".

On February 22, 2021, the Ardagh Group entered into a business combination agreement with Gores Holdings V Inc., a special purpose acquisition company sponsored by an affiliate of The Gores Group ("Gores Holdings V") for the purpose of effecting a merger, acquisition, or similar business combination, under which Gores Holdings V will combine with Ardagh Group's metal packaging business that will be held by an Ardagh Group wholly owned subsidiary, Ardagh Metal Packaging S.A. ("Ardagh Metal Packaging" or "AMP") to create an independent, pure-play beverage can business, public company. AMP also announced its intention to apply to list its shares on the NYSE.

The Ardagh Group's metal packaging business is a leading supplier of beverage cans globally, with a particular focus on the Americas and Europe. The business supplies sustainable and infinitely recyclable metal packaging to a diversified customer base of leading global, regional and national beverage producers. The Ardagh Group's metal packaging business operates 23 production facilities in Europe and the Americas, employs approximately 4,900 people and recorded revenues of $3.5 billion in 2020.

Additional investors have committed to participate in the proposed business combination by purchasing 60 million shares of AMP for an aggregate purchase price of $600 million in a private placement at $10.00. In connection with the transactions, on March 12, 2021, two affiliates of the Ardagh Group (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"). Assuming no share redemptions by the public stockholders of Gores Holdings V, approximately $525 million in cash held in Gores Holdings V's trust account, together with the $600 million in private placement proceeds and approximately $2.3 billion of the new debt raised by AMP, will be used to pay up to $3.4 billion in cash to the Ardagh Group, as well as to pay transaction expenses with the remainder of the AMP Notes issuance used for general corporate purposes. Upon closing of the transactions, assuming no redemptions by Gores Holdings V's public stockholders, the Ardagh Group will retain an equity interest in AMP of approximately 80%, the investors in the private placement will hold approximately 10% and Gores Holdings V's stockholders and its sponsor will hold approximately 10%.

The proposed business combination, which has been approved by the boards of directors of both Ardagh Group S.A. and Gores Holdings V, is expected to close in the second quarter of 2021, subject to receipt of Gores Holdings V stockholder approval, approval of AMP's shares for listing on the NYSE, the satisfaction of the condition to the Ardagh Group's obligations that it receives at least $3 billion in cash from the transactions and the satisfaction or waiver of other customary closing conditions.

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

2. Statement of directors' responsibilities

The directors are responsible for preparing the unaudited consolidated interim financial statements. The directors are required to prepare financial information for each financial period on the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the unaudited consolidated interim financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the 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 unaudited consolidated interim financial statements. Changes to accounting policies applied in the three months ended March 31, 2021 are outlined in note 3.

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 unaudited consolidated interim financial statements were approved for issue by the board of directors of ARD Finance S.A. (the "Board") on May 28, 2021.

3. Summary of significant accounting policies

Basis of preparation

The unaudited consolidated interim financial statements of the Group for the three months ended March 31, 2021 and 2020, have been prepared in accordance with IAS 34 "Interim Financial Reporting". The unaudited consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Annual Report for the year ended December 31, 2020 which was prepared in accordance with International Financial Reporting Standards ("IFRS").

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

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

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

Recent changes in accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 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. The directors' assessment of the impact of new standards, which are not yet effective and which have not been early adopted by the Group, on the consolidated interim financial statements is on-going.

4. Segment analysis

The Ardagh Group's operating and reportable segments, which are set out below, reflect the basis on which the Ardagh Group's performance is reviewed by management and regularly presented to the Board and certain members of the board of directors of Ardagh Group S.A., which has been identified as the Chief Operating Decision Maker ("CODM") for the Group.

- Metal Beverage Packaging Europe
- Metal Beverage Packaging Americas
- Glass Packaging Europe
- Glass Packaging North America.

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

Reconciliation of (loss)/profit for the period to Adjusted EBITDA

	Three months ended March 31,	
	2021	**2020**
	$'m	**$'m**
(Loss)/profit for the period	(25)	28
Income tax charge	14	10
Net finance expense	102	62
Depreciation and amortization	183	167
Exceptional operating items	8	3
Share of post-tax loss in equity accounted joint venture	18	3
Adjusted EBITDA	**300**	**273**

Segment results for the three months ended March 31, 2021 and 2020 are:

	Revenue		Adjusted EBITDA	
	2021	**2020**	**2021**	**2020**
	$'m	**$'m**	**$'m**	**$'m**
Metal Beverage Packaging Europe	436	385	66	54
Metal Beverage Packaging Americas	503	444	82	61
Glass Packaging Europe	410	384	97	89
Glass Packaging North America	425	409	55	69
Group	**1,774**	**1,622**	**300**	**273**

No customer accounted for greater than 10% of total revenue in the three months ended March 31, 2021 (2020: none).

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

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

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

The following illustrates the disaggregation of revenue by destination for the three months ended March 31, 2020:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Metal Beverage Packaging Europe	381	1	3	385
Metal Beverage Packaging Americas	1	357	86	444
Glass Packaging Europe	369	4	11	384
Glass Packaging North America	—	409	—	409
Group	**751**	**771**	**100**	**1,622**

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

	Three months ended March 31,	
	2021 $'m	2020 $'m
Over time	724	643
Point in time	1,050	979
Group	**1,774**	**1,622**

5. Exceptional items

	Three months ended March 31,	
	2021 $'m	2020 $'m
Start-up related costs	3	—
Exceptional items – cost of sales	**3**	**—**
Transaction-related and other costs	5	3
Exceptional items – SGA expenses	**5**	**3**
Interest payable on Notes issuance (Note 10)	5	—
Exceptional items – finance expense	**5**	**—**
Share of exceptional items in material joint venture	13	4
Exceptional items from continuing operations	**26**	**7**
Exceptional income tax credit	(2)	(14)
Exceptional items from continuing operations, net of tax	**24**	**(7)**
Exceptional items from discontinued operation, net of tax	—	(27)
Total exceptional items, net of tax	**24**	**(34)**

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

- $3 million start-up related costs in Metal Beverage Packaging Americas and Metal Beverage Packaging Europe, relating to the Group's investment programs.
- $5 million transaction-related and other costs primarily comprised of costs relating to acquisition and other transactions, including professional advisory fees, and other costs related to transformation initiatives.
- $5 million, primarily related to interest payable on AMP Notes Issuance in March 2021 related to the period prior to closing the proposed combination of Ardagh Metal Packaging with Gores Holdings V. Details related to the transaction are outlined in note 1 'general information'.
- $13 million from the share of exceptional items in the Trivium joint venture.
- $2 million from tax credits.

2020

Exceptional items of $34 million have been recognized in the three months ended March 31, 2020 primarily comprising:

- $3 million transaction-related and other costs.
- $4 million from the share of exceptional items in the Trivium joint venture.

- $14 million from tax credits primarily relating to U.S. tax reform.
- $27 million credit arising from the remeasurement of the estimated consideration for the disposal of Food & Specialty, in the period ended March 31, 2020.

6. Net finance expense

	Three months ended March 31,	
	2021	**2020**
	$'m	**$'m**
Senior Secured and Senior Notes	105	90
Other interest expense	5	13
Related party interest income	(5)	(5)
Net interest expense	**105**	**98**
Net pension interest costs	3	4
Foreign currency translation gains	(6)	(31)
Gains on derivative financial instruments	(4)	(8)
Other finance income	(1)	(1)
Finance expense before exceptional items	**97**	**62**
Exceptional finance expenses (Note 5)	5	—
Net finance expense	**102**	**62**

7. Intangible assets and property, plant and equipment

	Intangible assets $'m	**Property, plant and equipment $'m**
Net book value at January 1, 2021	**2,756**	**2,945**
Additions	3	323
Acquisition	—	15
Charge for the period	(61)	(122)
Foreign exchange	(48)	(56)
Net book value at March 31, 2021	**2,650**	**3,105**

At March 31, 2021, the carrying amount of goodwill included within intangible assets was $1,652 million (December 31, 2020: $1,682 million).

At March 31, 2021, the carrying amount of the right-of-use assets included within property, plant and equipment was $393 million (December 31, 2020: $319 million).

The Group recognized a depreciation charge of $122 million in the three months ended March 31, 2021 (2020: $109 million), of which $25 million (2020: $21 million) relates to right-of-use assets.

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

Impairment test for goodwill

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

Management has considered whether any impairment existed at the reporting date, or subsequent to the date that the unaudited consolidated interim financial statements were approved for issue by the board of directors, including assessing whether any cash-generating units ("CGU") had experienced or are expected to experience prolonged cessation of operations or had suffered or are expected to suffer either a prolonged decline in demand or prices and profitability as a result of COVID-19. In addition, management assessed the likely impact of potential reduced economic activity in the markets in which the Group operates. The results of this assessment are that management concluded goodwill is fully recoverable as at March 31, 2021.

8. Investment in material joint venture

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

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

	Three months ended March 31, 2021 $'m	Three months ended March 31, 2020 $'m
Loss for the period	(18)	(3)
Other comprehensive (expense)/income	(7)	11
Total comprehensive (expense)/income	**(25)**	**8**

	At March 31, 2021 $'m	At December 31, 2020 $'m
Investment in joint venture	349	390

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

	2021 $'m
Group's interest in net assets of joint venture - January 1	390
Share of total comprehensive expense	(25)
Foreign exchange	(16)
Carrying amount of interest in joint venture - March 31	**349**

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 March 31, 2021.

The 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 treasury activities, tax reporting, procurement and logistics, 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 Group's entities, on the one hand, and Trivium, on the other hand.

At March 31, 2021 and December 31, 2020, the Ardagh Group had no significant related party balances outstanding with Trivium. Income recognised by the Ardagh Group from the MSA in the 3 months ended March 31, 2021 is not material.

In May 2020, the Ardagh Group, as lender, entered into a credit facility (the "Trivium Credit Facility") with Trivium, as borrower. The amount of the Trivium Credit Facility is $36 million, and the facility matures on April 30, 2021. At March 31, 2021, the amount outstanding under the Trivium Credit Facility was $nil.

9. Issued capital and reserves

Issued and fully paid shares:

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

There were no share transactions in the three months ended March 31, 2021.

10. Financial assets and liabilities

At March 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 guaranteed by 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	1,172	–
Liabilities guaranteed by 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	515	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	926	–
2.000% Senior Secured Notes *	EUR	450	01-Sep-28	Bullet	450	528	–
3.250% Senior Secured Notes *	USD	600	01-Sep-28	Bullet	600	600	–
6.000% Senior Notes	USD	800	15-Feb-25	Bullet	800	817	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	550	–
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	–
3.000% Senior Notes *	EUR	500	01-Sep-29	Bullet	500	586	–
4.000% Senior Notes *	USD	1,050	01-Sep-29	Bullet	1,050	1,050	–
Global Asset Based Loan Facility	USD	663	07-Dec-22	Revolving	–	–	663
Lease obligations	Various	–		Amortizing	–	434	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	8	1
Total borrowings / undrawn facilities						**12,031**	**664**
Deferred debt issue costs and bond discounts/bond premium *						(159)	–
Net borrowings / undrawn facilities						**11,872**	**664**
Cash and cash equivalents						(950)	950
Restricted cash in escrow *						(2,764)	–
Derivative financial instruments used to hedge foreign currency and interest rate risk						66	–
Net debt / available liquidity						**8,224**	**1,614**

*Net debt excluding the AMP Notes Issuance, as outlined in this report's preliminary information section, and the associated restricted cash in escrow of $2,764 million and deferred debt issue costs of $40 million, is $8,264 million.

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

The fair value of the Group's total borrowings excluding lease obligations and the fair value of Ardagh Metal Packaging newly issued notes of $2,745 million, at March 31, 2021 is $9,026 million (December 31, 2020: $9,239 million).

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in areas such as incurrence of additional indebtedness (primarily maximum secured borrowings to Adjusted EBITDA and a minimum Adjusted EBITDA to interest expense), payment of dividends and incurrence of liens. The Global Asset Based Loan Facility is subject to a fixed charge coverage ratio covenant if 90% or more of the facility is drawn. The facility also includes cash dominion, representations, warranties, events of default and other covenants that are generally of a nature customary for such facilities.

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 guaranteed by 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 guaranteed by 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 and cash equivalents						(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 maturity profile of the Group's net borrowings is as follows:

	At March 31, 2021	At December 31, 2020
	$'m	$'m
Within one year or on demand	100	97
Between one and three years	125	113
Between three and five years	1,596	1,588
Greater than five years	10,210	7,534
Total borrowings	**12,031**	**9,332**
Deferred debt issue costs and bond discounts/bond premium	(159)	(129)
Net borrowings	**11,872**	**9,203**

Financing activity

2021

On March 12, 2021, the Ardagh Group, in connection with the transaction related to the combination of Ardagh Metal Packaging with Gores Holdings V, 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'. Restricted cash in escrow, at March 31, 2021, reflects the proceeds from the issuance of the Notes of approximately $2.8 billion, which was treated as a non-cash transaction for purpose of the statement of cashflows.

Lease obligations at March 31, 2021 of $434 million (December 31, 2020: $366 million), primarily reflects $103 million of new lease liabilities, partly offset by $35 million of principal repayments and foreign currency movements in the three months ended March 31, 2021.

At March 31, 2021 the Ardagh Group had $663 million available under the Global Asset Based Loan Facility.

Cross currency interest rate swaps

The Group hedges certain of its external borrowings and interest payable thereon using cross-currency interest rate swaps ("CCIRS"), with a net liability position at March 31, 2021 of $66 million (December 31, 2020: $105 million net liability).

On February 15, 2021, a tranche of the 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.

Fair value methodology

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

Fair values are calculated as follows:

(i) Senior secured and senior notes - the fair value of debt securities in issue is based on valuation techniques in which all significant inputs are based on observable market data and represent Level 2 inputs.
(ii) Global Asset Based Loan Facility and other borrowings – the estimated value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity and represents Level 2 inputs.
(iii) CCIRS - the fair value of the CCIRS are based on quoted market prices and represent Level 2 inputs.
(iv) Commodity and foreign exchange derivatives - the fair value of these derivatives are based on quoted market prices and represent Level 2 inputs.

11. Employee benefit obligations

Employee benefit obligations at March 31, 2021 have been reviewed in respect of the latest discount rates and asset valuations. A re-measurement gain of $152 million (2020: loss of $35 million) has been recognized in the unaudited consolidated interim statement of comprehensive income for the three months ended March 31, 2021.

The re-measurement gain of $152 million (2020: loss of $35 million) recognized for the three months ended March 31, 2021 consisted of a decrease in the obligations of $209 million (2020 decrease: $129 million), partly offset by a decrease in asset valuations of $57 million (2020 decrease: $164 million).

12. Cash used in operating activities

	Three months ended March 31,	
	2021	2020
	$'m	$'m
(Loss)/profit for the period	**(25)**	**28**
Income tax charge	14	10
Net finance expense	102	62
Depreciation and amortization	183	167
Exceptional operating items	8	3
Share of post-tax loss in equity accounted joint venture	18	3
Movement in working capital	(290)	(409)
Transaction-related, start-up and other exceptional costs paid	(22)	(54)
Exceptional restructuring paid	—	(1)
Cash used in operations	**(12)**	**(191)**

13. Related party transactions

At March 31, 2021, ARD Finance S.A. had related party receivable balances of $337 million (December 31, 2020: $332 million) and related party payable balances of $15 million (December 31, 2020: $nil) with ARD Securities Finance SARL.

With the exception of the above and the transactions in the Statement of Changes in Equity, note 6 'Net finance expense', note 8 'Investment in material joint venture' and note 14 'Discontinued operation', there have been no transactions in the three months ended March 31, 2021 with related parties, as disclosed in the Group's Annual Report, that had a material effect on the financial position or performance of the Group.

14. Discontinued operation

On October 31, 2019, the Ardagh Group completed the combination of its Food & Specialty business with the business of Exal to form Trivium. In the three months ended March 31, 2020, the Ardagh Group recognized a non-cash gain on disposal of $27 million arising from the remeasurement of the estimated consideration for the disposal of the Food & Specialty business.

15. 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

In 2015, the German competition authority (the Federal Cartel Office) initiated an investigation of the practices in Germany of metal packaging manufacturers, including the Food & Specialty Metal Packaging business of the Ardagh Group which was sold to Trivium. In 2018, the European Commission took over this investigation and the German investigation is, as a result, at an end. Ardagh Group S.A. has agreed to provide an indemnity in respect of certain losses that Trivium might incur in connection with this investigation. The European Commission's investigation is ongoing, and there is, at this stage no certainty as to the extent of any charge which may arise. Accordingly, no provision or indemnification liability has been recognized.

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

16. Seasonality of operations

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

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

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

17. Other information

COVID-19

The COVID-19 global pandemic and measures to prevent its spread, including restrictions on travel, imposition of quarantines and prolonged closures of workplaces and other businesses, including hospitality, leisure and entertainment outlets, and the related cancellation of events, has impacted our business in a number of ways including as a result of the impact of reduced global economic activity which resulted in lower demand for some of our customers' products and, therefore, certain of the products we manufacture.

COVID-19 may continue to have an adverse effect on our business and operations, including potential disruptions to our supply chain and workforce. Although our production has not been significantly impacted to date, our plants may be required to curtail or cease production in order to respond to any future measures which may arise in order to prevent the spread of COVID-19. In addition, the pandemic may in the future impact on capital markets which could impact our cost of borrowing. During the three months ended March 31, 2021, incremental COVID-19 related costs, including safety and cleaning costs, were incurred throughout the Ardagh Group.

The ultimate significance of the disruptions arising as a result of COVID-19, including the extent of their adverse impact on our financial and operational results, will be determined by the duration of the ongoing pandemic, its severity in the markets that we serve and the nature and efficacy of government and other regulatory responses, protective measures and vaccination programs and the related impact on macroeconomic activity and consumer behavior.

18. Events after the reporting period

On April 28, 2021, the board of directors of Ardagh Group S.A. declared a cash dividend of $0.15 per common share, payable on June 16, 2021 to shareholders of record on June 2, 2021.

On March 30, 2021, the Board approved an interim dividend of $15.2 million payable to ARD Securities Finance Sarl, which was paid on April 1, 2021.

On April 1, 2021, the Company made a special equity reserve contribution of $7.8 million to its subsidiary ARD Group Finance Holding S.A..

Combination of Ardagh Metal Packaging with Gores Holdings V

In connection with the closing of 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 completion of the AMP Transfer on April 1, 2021, $2.3 billion of the AMP Notes Issuance was paid to Ardagh on the release of the proceeds of the AMP Notes Issuance from escrow.

In connection with the AMP Notes Issuance, Ardagh Group has designated the Co-Issuers and the AMP entities as unrestricted subsidiaries under its existing bond indentures and the Global Asset Based Loan Facility.

On April 1, 2021, the Ardagh Group reduced the size of Global Asset Based Loan Facility from $700 million to $500 million as a result of the transaction between Ardagh Metal Packaging and Gores Holdings V.

Cyber Security Incident

On May 17, 2021, the Ardagh Group announced that it had recently experienced a cyber security incident, the response to which included pro-actively shutting down certain IT systems and applications.

The Ardagh Group's IT team, supported by external cyber security and other specialists, has been working to assess and remediate the impact of the event in accordance with its network and security protocols and procedures, while continuing to safely operate our facilities and serve our customers. Systems are being progressively brought back online securely, in a phased manner, and key system restoration is expected to be substantially achieved by the end of May 2021.

Production at all of our manufacturing facilities has continued to operate throughout this period. While products have continued to be shipped to customers, we have experienced some shipping delays as a result of this incident, principally in

Europe. Certain other processes, including certain supply chain operations, have been affected, and alternative solutions, including manual workarounds, have been implemented to enable us to continue to respond to our customers' needs.

While we are in the early stage of investigating this incident, we have already taken various steps in its wake, including engaging leading industry specialists to conduct a forensic investigation of our systems and introducing additional protection tools across our network to further enhance the security of our IT systems. While we believe that our existing information technology control environment is appropriately robust and consistent with industry standards, in addition to addressing any findings of these industry specialists, 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 business growth investment program has been impacted by this incident. However, it is likely to give rise to some deferral or loss of revenue, as well as to incremental costs, in the current quarter and, at a diminishing rate, in subsequent quarters. We maintain appropriate insurance in respect of a wide range of risks, including in respect of IT incidents, but the timing and extent of any insurance recovery is uncertain, and there will be a time lag between the initial incurrence of costs and the receipt of any insurance proceeds.