ArdaghGroup

ARD Finance S.A. Interim Report

For the three months ended March 31, 2023

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Unaudited consolidated interim financial statements for the three months ended March 31, 2023

Management Report

SUMMARY 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, 2023 consist mainly of its direct and indirect interest in the share capital of Ardagh Group S.A., a company incorporated and existing under the laws of Luxembourg, and certain related party receivables. The Company and those of its subsidiaries who are above Ardagh Group S.A. in the corporate structure are referred to as the “ARD Finance Group”.

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

As at March 31, 2023, Ardagh indirectly holds 76.03% of the ordinary shares and 100% of the preferred shares of Ardagh Metal Packaging S.A. (“AMP”). AMP is a leading supplier of beverage cans globally, with a particular focus on the Americas and Europe. This business supplies sustainable and infinitely recyclable metal packaging to a diversified customer base of leading global, regional and national beverage producers.

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

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

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

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

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, 2023, including the related notes thereto.

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

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

	Three months ended March 31,	
	2023	**2022**
Income Statement Data	**(in $ millions except percentages)**	
Revenue	2,256	2,048
Adjusted EBITDA [(1)]	**339**	**238**
Depreciation and amortization	(201)	(189)
Exceptional operating items [(2)]	(32)	(35)
Net finance expense [(3)]	(164)	(54)
Share of post-tax (loss)/profit in equity accounted joint venture [(4)]	(18)	16
Loss before tax	**(76)**	**(24)**
Income tax credit	8	2
Loss for the period	**(68)**	**(22)**
Other Data		
Adjusted EBITDA margin [(1)]	15.0%	11.6%
Net interest expense [(5)]	147	115
Maintenance capital expenditure [(6)]	120	110
Growth investment capital expenditure [(6)]	116	112
Balance Sheet Data	**At March 31, 2023**	**At December 31, 2022**
	(in $ millions, except ratios)	
Cash and cash equivalents and restricted cash [(7)]	608	1,138
Working capital [(8)]	1,175	610
Total assets	12,133	12,097
Total equity	(3,027)	(2,864)
Net borrowings [(9)]	11,585	11,470
Net debt [(10)]	11,017	10,340
Ratio of net debt to LTM Adjusted EBITDA [(1,10,11)]	8.1x	8.2x
Ratio of net debt to pro-forma LTM Adjusted EBITDA * [(1,10,11)]	8.0x	7.9x

* Pro-forma LTM Adjusted EBITDA used to calculate the ratio of net debt to pro-forma LTM Adjusted EBITDA is an unaudited pro-forma last twelve months adjusted EBITDA, as if the acquisition of Consol Holdings Proprietary Limited ("Consol"), which took place on April 29, 2022, had occurred on April 1, 2022.

All footnotes are on page 7 of this document.

FINANCIAL PERFORMANCE REVIEW

The consolidated results for the three months ended March 31, 2023 are presented on an as reported basis for Ardagh Glass Packaging Europe & Africa, and the consolidated results for the three months ended March 31, 2022 are presented below on a pro-forma basis as if the acquisition of Consol was completed on January 1, 2022.

Review of the three months ended March 31, 2023

Segment results for the three months ended March 31, 2023 and 2022 are:

Revenue	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe & Africa	Ardagh Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
			Pro-forma		
Reported Revenue 2022	**499**	**638**	**473**	**438**	**2,048**
Acquisition	—	—	142	—	142
Pro-forma Revenue 2022	**499**	**638**	**615**	**438**	**2,190**
Movement	16	7	124	(4)	143
FX translation	(29)	—	(48)	—	(77)
Reported Revenue 2023	**486**	**645**	**691**	**434**	**2,256**

Adjusted EBITDA	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe & Africa	Ardagh Glass Packaging North America	Other Unreported	Group
	$'m	$'m	$'m	$'m	$'m	$'m
			Pro-forma			
Reported Adj. EBITDA 2022	**56**	**89**	**65**	**43**	**(15)**	**238**
Acquisition	—	—	33	—	—	33
Pro-forma Adj. EBITDA 2022	**56**	**89**	**98**	**43**	**(15)**	**271**
Movement	(4)	(8)	62	14	15	79
FX translation	(3)	—	(8)	—	—	(11)
Reported Adj. EBITDA 2023	**49**	**81**	**152**	**57**	**—**	**339**
2023 margin % - reported	**10.1%**	**12.6%**	**22.0%**	**13.1%**		**15.0%**
2022 margin % - pro-forma	**11.2%**	**13.9%**	**15.9%**	**9.8%**		**12.4%**

Revenue

Ardagh Metal Packaging Europe. Revenue decreased by $13 million, or 3%, to $486 million in the three months ended March 31, 2023, compared with $499 million in the three months ended March 31, 2022. Excluding unfavorable foreign currency translation effects of $29 million, revenue increased by $16 million, principally due to the pass through of higher input costs partly offset by negative volume/mix effects (IFRS 15 impact).

Ardagh Metal Packaging Americas. Revenue increased by $7 million, or 1%, to $645 million in the three months ended March 31, 2023, compared with $638 million in the three months ended March 31, 2022. The increase in revenue principally reflected favorable volume/mix impacts (including IFRS 15), partly offset by lower metal cost pass through.

Ardagh Glass Packaging Europe & Africa. Revenue increased by $76 million, or 12%, to $691 million in the three months ended March 31, 2023, compared with a pro-forma $615 million in the three months ended March 31, 2022. Excluding unfavorable foreign currency translation effects of $48 million, revenue increased by $124 million, or 20%, principally due to selling price increases reflecting the pass through of higher input costs, partly offset by unfavorable volume/mix effects.

Ardagh Glass Packaging North America. Revenue decreased by $4 million, or 1%, to $434 million in the three months ended March 31, 2023, compared with $438 million in the three months ended March 31, 2022. The decrease in revenue primarily reflected adverse volume/mix effects, partly offset by the pass through of higher input costs.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA decreased by $7 million, or 13%, to $49 million in the three months ended March 31, 2023, compared with $56 million in the three months ended March 31, 2022. The decrease in Adjusted EBITDA was principally due to negative volume/mix effects (IFRS 15 impact), partly offset by the pass through to customers of higher input costs.

Ardagh Metal Packaging Americas. Adjusted EBITDA decreased by $8 million, or 9%, to $81 million in the three months ended March 31, 2023, compared with $89 million in the three months ended March 31, 2022. The decrease was primarily driven by input cost headwinds and higher operating costs, partly offset by favorable volume/mix effects.

Ardagh Glass Packaging Europe & Africa. Adjusted EBITDA increased by $54 million, or 55%, to $152 million in the three months ended March 31, 2023, compared with a pro-forma $98 million in the three months ended March 31, 2022. Excluding unfavorable foreign currency translation effects of $8 million, Adjusted EBITDA increased by $62 million or 69%, primarily due to increased selling prices to recover higher input costs, partly offset by unfavorable volume/mix effects.

Ardagh Glass Packaging North America. Adjusted EBITDA increased by $14 million, or 33%, to $57 million in the three months ended March 31, 2023, compared with $43 million in the three months ended March 31, 2022. The increase in Adjusted EBITDA was mainly driven by increased selling prices, partly offset by unfavorable volume/mix effects.

Footnotes to the Selected Financial Information

(1) Adjusted EBITDA consists of profit/(loss) for the period before income tax expense/(credit), net finance expense, depreciation and amortization, exceptional operating items and share of profit or loss in equity accounted joint venture. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Adjusted EBITDA and Adjusted EBITDA margin in a manner different from ours. Adjusted EBITDA and Adjusted EBITDA margin are not measurements of financial performance under IFRS 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 Interim Income Statement as referred to in Note 5 - Exceptional items of the audited consolidated financial statements.

(3) Includes exceptional finance income and expense.

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

(5) Net interest expense is as set out in Note 6 - Net finance expense to the consolidated interim financial statements.

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

(7) Cash and cash equivalents and restricted cash include short term bank deposits and restricted cash as per the note disclosures to the consolidated financial statements included in this interim report.

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

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

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

(11) Net debt to pro-forma Adjusted LTM EBITDA ratio at March 31, 2023 of 8.0x, is based on net debt at March 31, 2023 of $11,017 million and pro-forma Adjusted EBITDA for the last twelve months to March 31, 2023 of $1,383 million. Net debt to Adjusted LTM EBITDA ratio at March 31, 2023 of 8.1x, is based on net debt at March 31, 2023 of $11,017 million and reported Adjusted EBITDA for the last twelve months to March 31, 2023 of $1,365 million. Net debt to Adjusted LTM EBITDA ratio at December 31, 2022 of 8.2x, is based on net debt at December 31, 2022 of $10,340 million and reported Adjusted EBITDA for the year ended December 31, 2022 of $1,264 million.

Unaudited Consolidated Interim Financial Statements

ARD FINANCE S.A.
CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited Three months ended March 31, 2023			Unaudited Three months ended March 31, 2022		
	Note	**Before exceptional items $'m**	**Exceptional Items $'m**	**Total $'m**	**Before exceptional items $'m**	**Exceptional Items $'m**	**Total $'m**
			Note 5			**Note 5**	
Revenue	4	2,256	—	2,256	2,048	—	2,048
Cost of sales		(1,954)	(12)	(1,966)	(1,813)	(16)	(1,829)
Gross profit		**302**	**(12)**	**290**	**235**	**(16)**	**219**
Sales, general and administration expenses		(121)	(20)	(141)	(129)	(19)	(148)
Intangible amortization		(43)	—	(43)	(57)	—	(57)
Operating profit		**138**	**(32)**	**106**	**49**	**(35)**	**14**
Net finance expense	6	(166)	2	(164)	(109)	55	(54)
Share of post-tax (loss)/profit in equity accounted joint venture	8	(15)	(3)	(18)	26	(10)	16
Loss before tax		**(43)**	**(33)**	**(76)**	**(34)**	**10**	**(24)**
Income tax credit		2	6	8	7	(5)	2
Loss for the period		**(41)**	**(27)**	**(68)**	**(27)**	**5**	**(22)**
Loss attributable to:							
Equity holders				(67)			(37)
Non-controlling interests	14			(1)			15
Loss for the period				**(68)**			**(22)**

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

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

		Unaudited	
		Three months ended March 31,	
			Revised*
	Note	2023 $'m	2022 $'m
Loss for the period		**(68)**	**(22)**
Other comprehensive (expense)/income:			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
—Arising in the period		(39)	16
		(39)	**16**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		(85)	105
—Movement out of reserve to income statement		22	(10)
—Movement in deferred tax		10	(9)
		(53)	**86**
Gain/(loss) recognized on cost of hedging:			
—New fair value adjustments into reserve		2	(3)
		2	**(3)**
Share of other comprehensive income/(expense) in equity accounted joint venture	8	**8**	**(5)**
Items that will not be reclassified to income statement			
—Re-measurement of employee benefit obligations	11	(9)	133
—Deferred tax movement on employee benefit obligations		2	(33)
		(7)	**100**
Share of other comprehensive (expense)/income in equity accounted joint venture	8	(1)	9
Total other comprehensive (expense)/income for the period		**(90)**	**203**
Total comprehensive (expense)/income for the period		**(158)**	**181**
Attributable to:			
Equity holders		(155)	139
Non-controlling interests	14	(3)	42
Total comprehensive (expense)/income for the period		**(158)**	**181**

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

*During the third quarter of 2022, a misstatement regarding the re-measurement of employee benefit obligations and related deferred tax movement on employee benefit obligations was identified by management. This overstated the liability in respect of employee benefit obligations by $84 million and related deferred tax assets by $20 million and understated retained earnings by $64 million in the consolidated interim statement of financial position as of March 31, 2022. The misstatement was corrected in the interim statement of financial position as at 30 September 2022. Management concluded that a correction of this misstatement would be material to both the consolidated interim statement of comprehensive income. Therefore the comparative for the three months ending March 31, 2022 as shown above has been revised to reflect this.

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

	Note	Unaudited At March 31, 2023 $'m	Unaudited At December 31, 2022 $'m
Non-current assets			
Intangible assets	7	2,233	2,240
Property, plant and equipment	7	4,977	4,825
Derivative financial instruments		4	15
Deferred tax assets		164	153
Investment in equity accounted joint venture	8	286	292
Related party loan receivable	15	322	322
Employee benefit assets	11	27	27
Other non-current assets		34	31
		8,047	**7,905**
Current assets			
Inventories		1,696	1,400
Trade and other receivables		1,442	1,340
Contract assets		290	239
Derivative financial instruments		22	54
Related party receivable	15	2	—
Related party interest receivable	15	26	21
Cash, cash equivalents and restricted cash	10	608	1,138
		4,086	**4,192**
TOTAL ASSETS		**12,133**	**12,097**
Equity attributable to owners of the parent			
Equity share capital	9	—	—
Other reserves		194	270
Retained earnings		(3,185)	(3,110)
		(2,991)	**(2,840)**
Non-controlling interests	14	(36)	(24)
TOTAL EQUITY		**(3,027)**	**(2,864)**
Non-current liabilities			
Borrowings	10	10,834	10,764
Lease obligations	10	562	557
Employee benefit obligations	11	380	361
Derivative financial instruments		107	59
Deferred tax liabilities		370	375
Provisions and other liabilities	12	115	108
		12,368	**12,224**
Current liabilities			
Borrowings	10	57	25
Lease obligations	10	132	124
Interest payable		154	50
Derivative financial instruments		85	55
Trade and other payables		2,203	2,310
Income tax payable		83	93
Provisions	12	78	80
		2,792	**2,737**
TOTAL LIABILITIES		**15,160**	**14,961**
TOTAL EQUITY and LIABILITIES		**12,133**	**12,097**

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

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

	Unaudited Attributable to the owner of the parent									
	Share capital $'m	**Capital contribution $'m**	**Foreign currency translation reserve $'m**	**Cash flow hedge reserve $'m**	**Cost of hedging reserve $'m**	**Other reserves $'m**	**Revised* Retained earnings $'m**	**Total $'m**	**Non-controlling interests $'m**	**Total equity $'m**
At January 1, 2022	**—**	**10**	**144**	**85**	**7**	**164**	**(2,788)**	**(2,378)**	**(38)**	**(2,416)**
Loss for the period	—	—	—	—	—	—	(37)	**(37)**	15	**(22)**
Other comprehensive income/(expense)	—	—	9	69	(5)	—	104 [(1)]	**177**	26	**203**
Hedging gains transferred to cost of inventory	—	—	—	(25)	—	—	—	**(25)**	(7)	**(32)**
Transactions with owners in their capacity as owners										
Share purchase							(14)	**(14)**	–	**(14)**
At March 31, 2022	**—**	**10**	**153**	**129**	**2**	**164**	**(2,735)**	**(2,277)**	**(4)**	**(2,281)**
At January 1, 2023	—	10	95	24	4	137	(3,110)	**(2,840)**	**(24)**	**(2,864)**
Loss for the period	—	—	—	—	—	—	(67)	**(67)**	(1)	**(68)**
Other comprehensive (expense)/income	—	—	(36)	(46)	2	—	(8)	**(88)**	(2)	**(90)**
Hedging losses transferred to cost of inventory	—	—	—	7	—	—	—	**7**	–	**7**
NOMOQ acquisition (Note 7)	—	—	—	—	—	(4)	—	**(4)**	5	**1**
Transactions with owners in their capacity as owners										
Share-based payment reserve	—	—	—	—	—	1	—	**1**	—	**1**
Dividends (Note 14)	—	—	—	—	—	—	—	**—**	(14)	**(14)**
At March 31, 2023	**—**	**10**	**59**	**(15)**	**6**	**134**	**(3,185)**	**(2,991)**	**(36)**	**(3,027)**

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

[(1)]During the third quarter of 2022, a misstatement regarding the re-measurement of employee benefit obligations and related deferred tax movement on employee benefit obligations was identified by management. This overstated the liability in respect of employee benefit obligations by $84 million and related deferred tax assets by $20 million and understated retained earnings by $64 million in the consolidated interim statement of financial position as of March 31, 2022. The misstatement was corrected in the interim statement of financial position as at 30 September 2022. Management concluded that a correction of this misstatement would be material to both the consolidated interim statement of comprehensive income. Therefore the comparative for the three months ending March 31, 2022 as shown above has been revised to reflect this.

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

		Unaudited Three months ended March 31,	
	Note	2023 $'m	2022 $'m
Cash flows used in operating activities			
Cash used in operations	13	(188)	(213)
Interest paid*		(46)	(20)
Settlement of foreign currency derivative financial instruments*		(23)	(3)
Income tax paid		(19)	(15)
Net cash used in operating activities		**(276)**	**(251)**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(234)	(219)
Purchase of intangible assets		(3)	(3)
Proceeds from disposal of property, plant and equipment		1	—
(Drawdown)/repayment of loan by ultimate parent company	15	(2)	13
Other investing cash flows		(2)	(2)
Cash flows used in investing activities		**(240)**	**(211)**
Cash flows from financing activities			
Proceeds from borrowings	10	317	100
Repayment of borrowings	10	(289)	(470)
Dividends paid	14	(14)	(362)
Deferred debt issue costs paid		(4)	(2)
Share purchases		—	(14)
Lease repayments		(36)	(32)
Debt settlement costs paid	5	—	(19)
Consideration received on maturity of derivative financial instruments		11	—
Net cash outflow from financing activities		**(15)**	**(799)**
Net decrease in cash and cash equivalents and restricted cash		**(531)**	**(1,261)**
Cash and cash equivalents and restricted cash at the beginning of the period		1,138	3,049
Exchange gains/(losses) on cash and cash equivalents and restricted cash		1	(13)
Cash and cash equivalents and restricted cash at the end of the period	10	**608**	**1,775**

*Prior year amounts which have been included in Interest paid previously have been reclassified to conform to the current period presentation.

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. (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, 2023 consist mainly of its direct and indirect interest in the share capital of Ardagh Group S.A., a company incorporated and existing under the laws of Luxembourg, and certain related party receivables. The Company and those of its subsidiaries who are above Ardagh Group S.A. in the corporate structure are referred to as the "ARD Finance Group" or "The Group".

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. The Group operates 65 packaging facilities globally, located in the Americas, Europe and Africa.

As at March 31, 2023, Ardagh indirectly holds 76.03% of the ordinary share capital and 100% of the preferred shares in AMP. AMP 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 Group's metal packaging business operates 24 production facilities in Europe and the Americas, employs approximately 6,300 people and recorded revenues of $4.7 billion in 2022.

Ardagh also holds a 42% stake in Trivium Packaging B.V. ("Trivium"), a leading supplier of metal packaging in the form of cans and aerosol containers, serving a broad range of end-use categories, principally including food, seafood, pet food and nutrition, as well as beauty and personal care. Trivium recorded revenues of $3.3 billion in 2022.

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

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

The Group has assessed the impact of the current macroeconomic environment in the preparation of the consolidated interim financial statements.

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

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

2. Statement of directors' approval

The unaudited consolidated interim financial statements were approved for issue by the board of directors of ARD Finance S.A. (the "Board") on May 26, 2023.

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, 2023 and 2022, 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, 2022 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. The functional currency of the Company is euro.

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

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

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, 2023, have been assessed by the Directors. No new standards or amendments to existing standards effective January 1, 2023 have had or are expected to have a material impact for the Group. The Directors' assessment of the impact of new standards, which are not yet effective, and which have not been early adopted by the Group, on the consolidated interim financial statements is on-going.

4. Segment analysis

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

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

The following are the Group's four reportable segments:

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

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

Reconciliation of loss for the period to Adjusted EBITDA

	Three months ended March 31,	
	2023	**2022**
	$'m	**$'m**
Loss for the period	(68)	(22)
Income tax credit	(8)	(2)
Net finance expense (Note 6)	164	54
Depreciation and amortization (Note 7)	201	189
Exceptional operating items (Note 5)	32	35
Share of post-tax loss/(profit) in equity accounted joint venture (Note 8)	18	(16)
Adjusted EBITDA	**339**	**238**

Segment results for the three months ended March 31, 2023 and 2022 are:

	Revenue		Adjusted EBITDA	
	2023	2022	2023	2022
	$'m	$'m	$'m	$'m
Ardagh Metal Packaging Europe	486	499	49	56
Ardagh Metal Packaging Americas	645	638	81	89
Ardagh Glass Packaging Europe & Africa	691	473	152	65
Ardagh Glass Packaging North America	434	438	57	43
Total Reportable segments	**2,256**	**2,048**	**339**	**253**
Other Unreported	–	–	–	(15)
Group	**2,256**	**2,048**	**339**	**238**

One customer across all reportable segments accounted for greater than 10% of total revenue in the three months ended March 31, 2023 (2022: one).

Within each reportable segment our respective packaging containers have similar production processes and classes of customers. Further, they have similar economic characteristics. Based on the foregoing, we do not consider additional disclosures as necessary.

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

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

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

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

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

	Three months ended March 31,	
	2023	2022
	$'m	$'m
Over time	912	914
Point in time	1,344	1,134
Group	**2,256**	**2,048**

5. Exceptional items

	Three months ended March 31,	
	2023	2022
	$'m	$'m
Start-up related and other costs	12	16
Exceptional items - cost of sales	**12**	**16**
Transaction-related and other costs	17	19
IT & Other Transformation Initiatives	3	—
Exceptional items - SGA expenses	**20**	**19**
Gains on exceptional derivative financial instruments and warrants revaluation	(2)	(75)
Debt refinancing and settlement costs	—	19
Interest expense	—	1
Exceptional items - finance income	**(2)**	**(55)**
Share of exceptional items in equity accounted joint venture	3	10
Exceptional items	**33**	**(10)**
Exceptional income tax (credit)/charge	(6)	5
Total exceptional charge, net of tax	**27**	**(5)**

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

2023

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

- $12 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($7 million) and Ardagh Metal Packaging Europe ($3 million), relating to the Group's investment programs and $2 million other costs in Ardagh Glass Packaging North America, as a result of unexpected downtime due to power supply interruption.
- $17 million transaction-related and other. $7 million primarily arose due to a Pension Annuity Risk Transfer (PART) transaction executed in Ardagh Glass Packaging North America, See Note 11 – Employee Benefit Obligations for further details. A further $1 million of costs related to acquisition, other transaction costs, including professional advisory fees, and other costs in Ardagh Glass Packaging Europe. $6 million legal settlement in respect of a contract manufacturing agreement arising from the Group's acquisition of the beverage can business, $2 million of professional advisory fees in relation to transformation initiatives and $1 million of foreign currency translation losses relating to the exceptional cost of hedging activities in Ardagh Metal Packaging Americas.
- $3 million relating to IT and other transformation initiatives.
- $2 million credit primarily related to fair value and foreign currency gains on Public and Private Warrants.
- $3 million from the Group's share of exceptional items in the Trivium joint venture.
- $6 million from tax credits relating to the above exceptional items.

2022

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

- $16 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($7 million) and Ardagh Metal Packaging Europe ($7 million), relating to the Group's investment programs and $2 million other costs in Ardagh Glass Packaging North America, as a result of weather-related downtime.
- $19 million transaction-related and other costs. Of this, $7 million primarily arose due to professional advisory fees in connection with transactions and other costs related to transformation initiatives in Ardagh Metal Packaging ($4 million) and Ardagh Glass Packaging North America ($3 million). $12 million of costs related to acquisition, other transaction costs, including professional advisory fees, and other costs in Ardagh Glass Packaging Europe.
- $75 million finance income primarily relating to a $69 million credit on the fair value movement on forward foreign exchange contracts entered into in connection with the acquisition of Consol Holdings Proprietary Limited (as outlined in Note 1 – General information), and a $6 million credit related to fair value and foreign currency gains on Public and Private Warrants.
- $19 million debt settlement costs related to the redemption premium on the partial redemption of the $1,300 million 6.500%/7.250% senior secured toggle notes due 2027 and the €1,000 million 5.000%/5.750% senior secured toggle notes due 2027 plus $1 million accrued interest up to but excluding the payment date.

- $10 million from the Group's share of exceptional items in the Trivium joint venture.
- $5 million from the tax charge relating to the above exceptional items.

6. Net finance expense

	Three months ended March 31,	
	2023	2022
	$'m	$'m
Bond and Senior Facilities interest expense*	132	112
Other interest expense	20	8
Related Party interest income	(5)	(5)
Net interest expense	**147**	**115**
Net pension interest cost	4	2
Foreign currency translation loss/(gain)	14	(5)
Loss/(gain) on derivative financial instruments	9	(1)
Net monetary gain - hyperinflation	(2)	—
Other finance income	(6)	(2)
Net finance expense before exceptional items	**166**	**109**
Net exceptional finance income (Note 5)	(2)	(55)
Net finance expense	**164**	**54**

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

7. Intangible assets and property, plant and equipment

	Intangible assets $'m	Property, plant and equipment $'m
Net book value at January 1, 2023	2,240	4,825
Additions	3	279
Acquisition*	6	4
Disposals	—	(2)
Hyperinflation	—	2
Charge for the period	(43)	(158)
Foreign exchange	27	27
Net book value at March 31, 2023	**2,233**	**4,977**

*In February 2023, the Group completed the acquisition of a majority share in NOMOQ AG ("NOMOQ"), a start-up digital can printer based in Zurich, Switzerland, for an initial consideration of €15 million, with a further €10 million payable in 2024, subject to NOMOQ achieving certain milestones. Net of €15 million cash acquired; the transaction did not result in a cash outflow for the Group. These consolidated financial statements include management's preliminary estimate of the fair values of assets acquired and liabilities assumed. In conjunction with this transaction, the Group has entered into put and call option arrangements for the acquisition of the outstanding non-controlling interest ("NCI"), part of which are treated as a compensation arrangement for accounting purposes, and could result in future payments to the holders of such NCI, depending on the future performance of NOMOQ. An initial estimate of the fair value of such obligation, which has been reflected in other reserves and other liabilities and provisions, respectively, has been calibrated such that the present value of the liability is equal to the fair value of the NCI that is subject to the put and call arrangement as of the valuation date.

At March 31, 2023, the carrying amount of goodwill included within intangible assets was $1,389 million (December 31, 2022: $1,367 million).

At March 31, 2023, the carrying amount of the right-of-use assets included within property, plant and equipment was $669 million (December 31, 2022: $656 million).

The Group recognized a depreciation charge of $158 million in the three months ended March 31, 2023 (2022: $132 million), of which $37 million (2022: $23 million) relates to right-of-use assets.

Impairment test for goodwill

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

Management has considered whether any impairment indicators existed at the reporting date and has concluded that the carrying amount of goodwill is fully recoverable as at March 31, 2023.

8. Investment in equity accounted joint venture

Investment in equity accounted joint venture is comprised of the Group's 42% stake in Trivium incorporated in the Netherlands, with corporate offices in Amsterdam. The remaining 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, including in respect of the governance of Trivium and its subsidiaries, their ability to transfer their shares and other customary matters.

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

	Three months ended March 31,	
	2023	**2022**
	$'m	**$'m**
(Loss)/gain for the period	(18)	16
Other comprehensive income	7	4
Total comprehensive (loss)/gain	**(11)**	**20**

	At March 31,	At December 31,
	2023	**2022**
	$'m	**$'m**
Investment in equity accounted joint venture	286	292

The reconciliation of summarized financial information presented to the carrying amount of the Group's interest in Trivium at March 31, 2023 and 2022 respectively is set out below.

	2023	**2022**
	$'m	**$'m**
Group's interest in net assets of equity accounted joint venture at January 1	292	303
Share of total comprehensive (expense)/income	(11)	20
Foreign exchange	5	(6)
Carrying amount of interest in equity accounted joint venture - March 31	**286**	**317**

In respect of the Group's equity accounted investment in Trivium, management has considered the carrying amount of the investment and concluded that it is fully recoverable as at March 31, 2023.

The Group was party to a Mutual Services Agreement ("MSA") with Trivium, pursuant to which the Group and Trivium provided services to each other. The MSA ended as of November 2022.

The Group recognized income of $nil in respect of the MSA in the three months ended March 31, 2023 (March 31, 2022: $2 million).

At March 31, 2023 and December 31, 2022, the Group had no significant related party balances outstanding with Trivium.

9. Equity share capital

Issued and fully paid shares:

	Number of Shares (million)	$'m
Ordinary shares (par value €0.01)	10.3	–
At March 31, 2023 and December 31, 2022	**10.3**	**–**

There were no material share transactions in the three months ended March 31, 2023.

10. Financial assets and liabilities

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

Facility	Currency	Maximum amount drawable Local currency m	Final maturity date	Facility type	Amount drawn ARD Finance Group* $'m	Amount drawn Restricted Group** $'m	Amount drawn Unrestricted Group*** $'m	Amount drawn Total Group $'m	Undrawn amount $'m
6.500%/7.250% Senior Secured Toggle Notes	USD	895	30-Jun-27	Bullet	895	–	–	895	–
5.000%/5.750% Senior Secured Toggle Notes	EUR	796	30-Jun-27	Bullet	866	–	–	866	–
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	–	477	–	477	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	–	859	–	859	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	–	495	–	495	–
5.250% Senior Notes	USD	800	15-Aug-27	Bullet	–	800	–	800	–
5.250% Senior Notes	USD	1,000	15-Aug-27	Bullet	–	1,000	–	1,000	–
South African Rand Senior Facilities	ZAR	8,500	01-Apr-28	Bullet	–	309	–	309	169
Global Asset Based Loan Facility	USD	394	30-Mar-27	Revolving	–	–	–	–	394
Lease obligations	Various	–		Amortizing	–	352	342	694	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	11	42	53	46
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	–	–	489	489	–
3.250% Senior Secured Green Notes	USD	600	01-Sep-28	Bullet	–	–	600	600	–
6.000% Senior Secured Green Notes	USD	600	15-Jun-27	Bullet	–	–	600	600	–
3.000% Senior Green Notes	EUR	500	01-Sep-29	Bullet	–	–	544	544	–
4.000% Senior Green Notes	USD	1,050	01-Sep-29	Bullet	–	–	1,050	1,050	–
Global Asset Based Loan Facility	USD	407	06-Aug-26	Revolving	–	–	36	36	371
Total borrowings / undrawn facilities					**1,761**	**6,218**	**3,703**	**11,682**	**980**
Deferred debt issue costs and bond discounts/bond premium					(8)	(54)	(35)	(97)	–
Net borrowings / undrawn facilities					**1,753**	**6,164**	**3,668**	**11,585**	**980**
Cash, cash equivalents and restricted cash					(6)	(478)	(124)	(608)	608
Derivative financial instruments used to hedge foreign currency and interest rate risk					–	31	9	40	–
Net debt / available liquidity					**1,747**	**5,717**	**3,553**	**11,017**	**1,588**

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

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

***Unrestricted Group refers to AMP and its subsidiaries as set out in Note 1 - General information.

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

The fair value of the ARD Finance Group and the Restricted Group's total borrowings excluding lease obligations at March 31, 2023, is $6,401 million (December 31, 2022: $6,036 million). The fair value of the Unrestricted Group's total borrowings excluding lease obligations at March 31, 2023, is $2,790 million (December 31, 2022: $2,742 million).

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

Borrowing facilities in Africa also contain customary maintenance covenants, primarily net debt to EBITDA and interest coverage tests, all of which were in compliance at year end. Borrowing facilities in Africa also contain customary maintenance covenants, primarily net debt to EBITDA and interest coverage tests, all of which were in compliance at year end.

At December 31, 2022, the Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn				Undrawn amount
		Local Currency			ARD Finance Group*	Restricted Group**	Unrestricted Group***	Total Group	
		m			$'m	$'m	$'m	$'m	$'m
6.500%/7.250% Senior Secured Toggle Notes	USD	895	30-Jun-27	Bullet	895	–	–	895	–
5.000%/5.750% Senior Secured Toggle Notes	EUR	796	30-Jun-27	Bullet	849	–	–	849	–
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	–	468	–	468	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	–	843	–	843	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	–	481	–	481	–
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	–
JIBAR + 2.60% Senior Term Facilities A&B	ZAR	4,900	28-Feb-24	Bullet	–	289	–	289	–
JIBAR + 2.65% Senior Facility C	ZAR	595	28-Feb-24	Bullet	–	35	–	35	–
Global Asset Based Loan Facility	USD	433	30-Mar-27	Revolving	–	–	–	–	433
Lease obligations	Various	–		Amortizing	–	354	327	681	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	15	40	55	82
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	–	–	480	480	–
3.250% Senior Secured Green Notes	USD	600	01-Sep-28	Bullet	–	–	600	600	–
6.000% Senior Secured Green Notes	USD	600	15-Jun-27	Bullet	–	–	600	600	
3.000% Senior Green Notes	EUR	500	01-Sep-29	Bullet	–	–	533	533	–
4.000% Senior Green Notes	USD	1,050	01-Sep-29	Bullet	–	–	1,050	1,050	–
Global Asset Based Loan Facility	USD	415	06-Aug-26	Revolving	–	–	–	–	415
Total borrowings / undrawn facilities					**1,744**	**6,200**	**3,630**	**11,574**	**930**
Deferred debt issue costs and bond discounts/bond premium					(9)	(57)	(38)	(104)	–
Net borrowings / undrawn facilities					**1,735**	**6,143**	**3,592**	**11,470**	**930**
Cash, cash equivalents and restricted cash					(7)	(576)	(555)	(1,138)	1,138
Derivative financial instruments used to hedge foreign currency and interest rate risk					–	8	–	8	–
Net debt / available liquidity					**1,728**	**5,575**	**3,037**	**10,340**	**2,068**

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

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

***Unrestricted Group refers to AMP and its subsidiaries as set out in Note 1 - General information.

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

	At March 31, 2023 $'m	At December 31, 2022 $'m
Liabilities of the ARD Finance Group		
Between three and five years	**1,761**	**1,744**
Liabilities of the Ardagh Group		
Within one year or on demand	80	81
Between one and three years	801	1,125
Between three and five years	5,219	4,870
Greater than five years	118	124
Restricted Group total borrowings	**6,218**	**6,200**
Within one year or on demand	109	68
Between one and three years	113	100
Between three and five years	711	704
Greater than five years	2,770	2,758
Unrestricted Group total borrowings	**3,703**	**3,630**
Total borrowings	**11,682**	**11,574**
Deferred debt issue costs and bond discounts/bond premium	(97)	(104)
Net Borrowings	**11,585**	**11,470**

Warrants

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

Financing activity

The refinancing of the Group's South African Rand ("ZAR") debt facilities was completed on February 20, 2023. This extended the maturity of the current debt facilities from 2024 to 2028 and increased the maximum amount drawable under the facilities by ZAR2.9 billion ($163 million), from ZAR6.3 billion to ZAR9.2 billion.

Lease obligations at March 31, 2023 of $694 million (December 31, 2022: $681 million), primarily reflects $49 million of new lease liabilities and foreign currency movements, partly offset by $36 million of repayments, in the three months ended March 31, 2023.

At March 31, 2023 the Group had $765 million available under the Global Asset Based Loan Facilities.

Forward foreign exchange contracts

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

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

Cross currency interest rate swaps

The Group hedges certain portions of its borrowings and interest thereon using cross-currency interest rate swaps ("CCIRS"), and had a net liability position at March 31, 2023 of $40 million (December 31, 2022: $8 million net liability).

In the three months ended March 31, 2023, the Group entered into a series of new CCIRS, swapping $800 million into synthetic GBP and EUR debt. These CCIRS were designated as hedge accounting arrangements.

Additionally, in the three months ended March 31, 2023, a series of CCIRS totaling €190 million matured. The swaps, which had been accounted for as a net investment hedge, had a fair value at maturity of $8 million which is retained in Other Comprehensive Income.

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

11. Employee benefit obligations

Employee benefit obligations at March 31, 2023 have been re-measured in respect of the latest discount rates, inflation rates and asset valuations. A re-measurement loss of $9 million (2022 restated: gain of $133 million) has been recognized in the unaudited consolidated interim statement of comprehensive income for the three months ended March 31, 2023.

The re-measurement loss of $9 million recognized for the three months ended March 31, 2023 consisted of an increase in the obligations of $42 million (2022 restated: decrease of $277 million), partly offset by an increase in asset valuations of $33 million (2022: decrease of $144 million).

In the three months ended March 31, 2023, Ardagh Glass Packaging North America completed a Pension Annuity Risk Transfer (PART) transaction, which involved transferring the financial risk associated with a group of pension plan participants to an insurance company. Under the terms of the transaction, the Group transferred pension assets of $382 million to the insurer, who assumed responsibility for making future benefit payments to the affected plan participants. As a result of the transaction, the Group's defined benefit obligation decreased by $375 million, reflecting the reduction in future pension obligations resulting from the transfer. The transaction resulted in an exceptional charge to the consolidated income statement of $7 million, as outlined in Note 5 – Exceptional Items.

12. Other liabilities and provisions

	At March 31, 2023 $'m	At December 31, 2022 $'m
Provisions		
Current	78	80
Non-current	106	101
Other liabilities		
Non-current	9	7
	193	**188**

Other Liabilities

AMP warrants are exercisable for the purchase of ordinary shares in AMP at an exercise price of $11.50 over a five-year period. In accordance with IAS 32, those warrants have been recognized as a financial liability measured at fair value in the consolidated financial statements. For certain warrants issued to the former sponsors of Gores Holdings V, ("Private Warrants") a valuation was performed for the purpose of determining the financial liability. The valuation applied a Black Scholes model, using a key data input for the risk-free rate (4%), with estimates for volatility (54%) (December 31, 2022: volatility 50%) and dividend yield. All other outstanding warrants ("Public Warrants") were valued using the traded closing prices of the AMP warrants. The estimated valuations of the liability at March 31, 2023, and December 31, 2022, were $4 million and $7 million, respectively. Changes in the valuation of the Public and Private Warrants of $3 million have been reflected as exceptional finance income within net finance income for the three months ended March 31, 2023 (March 31, 2022: $6 million). Any increase or decrease in volatility of 5% would not result in a significant change in the fair value of the Private Warrants at March 31, 2023 (December 31, 2022: $1 million).

Please refer to Note 7 – Intangible assets and property, plant and equipment for further information on the NOMOQ acquisition.

13. Cash used in operating activities

	Three months ended March 31,	
	2023	2022
	$'m	$'m
Loss from operations	**(68)**	**(22)**
Income tax credit	(8)	(2)
Net finance expense	164	54
Depreciation and amortization	201	189
Exceptional operating items	32	35
Share of post-tax loss/(gain) in equity accounted joint venture	18	(16)
Movement in working capital	(505)	(366)
Transaction-related, start-up and other exceptional costs paid	(22)	(85)
Cash used in operations	**(188)**	**(213)**

14. Non-controlling interests

Non-controlling interests represent 23.97% of the total equity in the Group's subsidiary AMP (December 31, 2022: 23.96%), in addition to non-controlling interests related to the acquisition of NOMOQ as discussed in further detail in Note 7 – Intangible assets and property, plant and equipment. The total equity attributable to non-controlling interests at March 31, 2023 is $36 million (December 31, 2022: $24 million). Dividends of $14 million were paid to non-controlling interests during the three months ended March 31, 2023.

Summarized financial information for AMP, as of the date these interim consolidated financial statements were authorized for issue, for AMP for the three months ended and as at March 31, 2023 is set out below:

	Three months ended March 31,	
	2023	2022
	$'m	$'m
(Loss)/profit for the period	(1)	57
Cash flows used in operating activities	(257)	(194)

	At March 31,	At December 31,
	2023	2022
	$'m	$'m
Current assets	1,611	1,908
Non-current assets	4,050	3,957
Current liabilities	(1,306)	(1,464)
Non-current liabilities	(3,979)	(3,946)
Net assets	**376**	**455**

Dividends of $14 million have been paid to non-controlling interests during the three months ended March 31, 2023.

15. Related party transactions

At March 31, 2023, the Group had a related party loan of $322 million and interest receivable balances of $26 million with ARD Securities Finance Sarl (December 31, 2022: loan receivable balance of $322 million and interest receivable balance of $21 million with ARD Securities Finance Sarl).

At March 31, 2023, the Group had a related party loan receivable balance of $2 million (December 31, 2022: $nil) with ARD Holdings S.A..

There were no other transactions with related parties during this period that had a material effect on the financial position or performance of the Group.

Details of related party transactions in respect of the year ended December 31, 2022 are contained in Note 27 to the consolidated financial statements in the Group's 2022 Annual Report. The Group continued to enter into transactions in the normal course of business with related parties in the three months ended March 31, 2023.

16. Contingencies

Environmental issues

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

- the operation of installations for manufacturing of 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 Group believes, based on current information, that it is in substantial compliance with applicable environmental laws and regulations and permit requirements. It does not believe it will be required, under existing or anticipated future environmental laws and regulations, to expend amounts, over and above the amounts accrued, which will have a material effect on its business, financial condition or results of operations or cash flows. In addition, no material proceedings against the Group arising under environmental laws are pending.

Legal matters

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

Other matters

On March 28, 2023, the Brazilian beverages company, Grupo Petrópolis, which is a customer of AMP, filed for a court-supervised filing. The Group has assessed the impact of the Grupo Petrópolis re-organization and concluded that there is no impact on the statement of financial position as at March 31, 2023.

17. Seasonality of operations

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

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

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

18. Events after the reporting period

On April 25, 2023, the board of directors of AMP approved an interim dividend of $0.10 per ordinary share. The interim dividend will be paid on June 28, 2023 to shareholders of record on June 14, 2023.

On April 26, 2023, the board of directors of Ardagh approved an interim dividend of $0.60 per common share. The interim dividend will be paid on June 28, 2023 to shareholders of record on June 14, 2023.

There are no other events after the reporting period that require adjustment or disclosure in the unaudited consolidated interim financial statements.