ArdaghGroup

ARD Finance S.A. Interim Report

For the three and six months ended June 30, 2022

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Unaudited consolidated interim financial statements for the three and six months ended June 30, 2022

Management Report

PRELIMINARY INFORMATION

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

The Company is a holding company whose assets as of June 30, 2022 consist mainly of its direct and indirect interest in the share capital of Ardagh Group S.A., a company incorporated and existing under the laws of Luxembourg, and certain related party receivables.

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

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

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

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

All of the financing of the Group other than the $895 million 6.500%/7.250% Senior Secured Toggle Notes due 2027, and the €796 million 5.000%/5.750% Senior Secured Toggle Notes due 2027 (together the “Toggle Notes”, as described in Note 10 – Financial assets and liabilities) 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 and six months ended June 30, 2022, 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 June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Income Statement Data	**(in $ millions except percentages)**		**(in $ millions except percentages)**	
Revenue	2,435	1,874	4,483	3,648
Adjusted EBITDA [(1)]	**344**	**325**	**582**	**625**
Depreciation and amortization	(197)	(180)	(386)	(363)
Exceptional operating items [(2)]	(28)	(32)	(63)	(40)
Net finance expense [(3)]	(120)	(137)	(174)	(239)
Share of post-tax (loss)/profit in equity accounted joint venture	(1)	(19)	15	(37)
Loss before tax	**(2)**	**(43)**	**(26)**	**(54)**
Income tax charge	(12)	(12)	(10)	(26)
Loss for the period	**(14)**	**(55)**	**(36)**	**(80)**
Other Data				
Adjusted EBITDA margin [(1)]	14.1%	17.3%	13.0%	17.1%
Net Interest expense [(4)]	124	122	239	227
Maintenance capital expenditure [(5)]	116	73	226	157
Growth investment capital expenditure [(5)]	163	110	275	272

Balance Sheet Data	**At June 30, 2022**	**At December 31, 2021**
	(in $ millions, except ratios)	
Cash and cash equivalents [(6)]	1,223	3,049
Working capital [(7)]	985	233
Total assets	12,305	12,367
Total equity	(2,414)	(2,416)
Net borrowings [(8)]	11,192	10,960
Net debt [(9)]	9,927	7,909
Ratio of net debt to LTM Adjusted EBITDA [(1,9,10)]	8.3x	6.4x
Ratio of net debt to pro-forma LTM Adjusted EBITDA * [(1,9,10)]	7.4x	

* 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 July 1, 2021.

All footnotes are on page 10 of this document.

FINANCIAL PERFORMANCE REVIEW

The consolidated results for the three and six months ended June 30, 2022 and 2021 of Ardagh Glass Packaging Europe & Africa are presented below on a pro-forma basis as if the acquisition of Consol was completed on January 1, 2021 respectively.

Review of the three months ended June 30, 2022

Segment results for the three months ended June 30, 2022 and 2021 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		Pro-forma
Reported Revenue 2021	**464**	**527**	**438**	**445**	**1,874**
Acquisition	—	—	149	—	149
Pro-forma Revenue 2021	**464**	**527**	**587**	**445**	**2,023**
Movement	116	243	173	39	571
FX translation	(47)	—	(54)	—	(101)
Pro-forma Revenue 2022	**533**	**770**	**706**	**484**	**2,493**

Adjusted EBITDA	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe & Africa	Ardagh Glass Packaging North America	Total Reportable Segments	AMP Indemnity*	Group
	$'m	$'m	$'m	$'m	$'m	$'m	$'m
			Pro-forma		Pro-forma		Pro-forma
Reported Adj. EBITDA 2021	**85**	**88**	**114**	**53**	**340**	**(15)**	**325**
Acquisition	—	—	41	—	41	—	41
Pro-forma Adj. EBITDA 2021	**85**	**88**	**155**	**53**	**381**	**(15)**	**366**
Movement	(15)	32	7	(7)	17	15	32
FX translation	(9)	—	(14)	—	(23)	—	(23)
Pro-forma Adj. EBITDA 2022	**61**	**120**	**148**	**46**	**375**	**—**	**375**
Other Unreported**							(12)
Pro-forma Adj. EBITDA 2022							**363**
2022 margin % - pro-forma	**11.4%**	**15.6%**	**21.0%**	**9.5%**	**15.0%**	—	**14.6%**
2021 margin % - pro-forma	**18.3%**	**16.7%**	**26.4%**	**11.9%**	**18.8%**	—	**18.1%**

*AMP indemnification represents costs, borne by the Ardagh Group pursuant to a letter of agreement between the Ardagh Group and Ardagh Metal Packaging, whereby the Ardagh Group agreed to indemnify, defend and hold harmless Ardagh Metal Packaging and its subsidiaries and their respective successors from and against any and all losses incurred prior to December 31, 2021, resulting from the cyber security incident in 2021. In the full year 2021 the impact of this incident on Adjusted EBITDA, after insurance recoveries, was $nil.

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

Revenue

Ardagh Metal Packaging Europe. Revenue increased by $69 million, or 15%, to $533 million in the three months ended June 30, 2022, compared with $464 million in the three months ended June 30, 2021. Excluding unfavorable foreign currency translation effects of $47 million, revenue increased by $116 million, mainly due to the pass through of higher input costs and favorable volume/mix effects.

Ardagh Metal Packaging Americas. Revenue increased by $243 million, or 46%, to $770 million in the three months ended June 30, 2022, compared with $527 million in the three months ended June 30, 2021. The increase in revenue principally reflected the pass through of higher input costs and favorable volume/mix effects.

Ardagh Glass Packaging Europe & Africa. Pro-forma revenue increased by $119 million, or 20%, to $706 million in the pro-forma three months ended June 30, 2022, compared with $587 million in the pro-forma three months ended June 30, 2021. Excluding unfavorable foreign currency translation effects of $54 million, pro-forma revenue increased by $173 million, or 29%, principally due to selling price increases reflecting the pass through of higher input costs and favorable volume/mix effects.

Ardagh Glass Packaging North America. Revenue increased by $39 million, or 9%, to $484 million in the three months ended June 30, 2022, compared with $445 million in the three months ended June 30, 2021. The increase in revenue primarily reflected the pass through of higher input costs.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA decreased by $24 million, or 28%, to $61 million in the three months ended June 30, 2022, compared with $85 million in the three months ended June 30, 2021. Excluding unfavorable foreign currency translation effects of $9 million, Adjusted EBITDA decreased by $15 million, principally reflecting input cost inflation.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $32 million, or 36%, to $120 million in the three months ended June 30, 2022, compared with $88 million in the three months ended June 30, 2021. The increase was primarily driven by favorable volume/mix effects, which includes an impact of the Group's growth investment program and strong recovery of input cost inflation, partly offset by increased operating costs.

Ardagh Glass Packaging Europe & Africa. Pro-forma Adjusted EBITDA decreased by $7 million, or 5%, to $148 million in the pro-forma three months ended June 30, 2022, compared with $155 million in the pro-forma three months ended June 30, 2021. Excluding unfavorable foreign currency translation effects of $14 million, pro-forma Adjusted EBITDA increased by $7m or 5%. The increase is primarily due to favorable volume/mix effects, increased selling prices to recover higher costs and insurance recoveries on COVID-related losses, partially offset increased input costs, including higher energy costs.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $7 million, or 13%, to $46 million in the three months ended June 30, 2022, compared with $53 million in the three months ended June 30, 2021. The decrease in Adjusted EBITDA was mainly driven by unfavorable volume/mix effects.

Review of the six months ended June 30, 2022

Segment results for the six months ended June 30, 2022 and 2021 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		**Pro-forma**
Reported Revenue 2021	**900**	**1,030**	**848**	**870**	**3,648**
Acquisition	—	—	291	—	291
Pro-forma Revenue 2021	**900**	**1,030**	**1,139**	**870**	**3,939**
Movement	209	378	269	52	908
FX translation	(77)	—	(88)	—	(165)
Pro-forma Revenue 2022	**1,032**	**1,408**	**1,320**	**922**	**4,682**

Adjusted EBITDA	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe & Africa	Ardagh Glass Packaging North America	Total Reportable Segments	AMP Indemnity*	Group
	$'m	$'m	$'m	$'m	$'m	$'m	$'m
			Pro-forma		Pro-forma		Pro-forma
Reported Adj. EBITDA 2021	**151**	**170**	**211**	**108**	**640**	**(15)**	**625**
Acquisition	—	—	80	—	80	—	80
Pro-forma Adj. EBITDA 2021	**151**	**170**	**291**	**108**	**720**	**(15)**	**705**
Movement	(21)	39	(23)	(20)	(25)	15	(10)
FX translation	(13)	—	(23)	—	(36)	—	(36)
Pro-forma Adj. EBITDA 2022	**117**	**209**	**245**	**88**	**659**	**—**	**659**
Other Unreported**							(27)
Pro-forma Adj. EBITDA 2022							**632**
2022 margin % - pro-forma	**11.3%**	**14.8%**	**18.6%**	**9.5%**	**14.1%**	—	**13.5%**
2021 margin % - pro-forma	**16.8%**	**16.5%**	**25.5%**	**12.4%**	**18.3%**	—	**17.9%**

*AMP indemnification represents costs, borne by the Ardagh Group pursuant to a letter of agreement between the Ardagh Group and Ardagh Metal Packaging, whereby the Ardagh Group agreed to indemnify, defend and hold harmless Ardagh Metal Packaging and its subsidiaries and their respective successors from and against any and all losses incurred prior to December 31, 2021, resulting from the cyber security incident in 2021. In the full year 2021 the impact of this incident on Adjusted EBITDA, after insurance recoveries, was $nil.

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

Revenue

Ardagh Metal Packaging Europe. Revenue increased by $132 million, or 15%, to $1,032 million in the six months ended June 30, 2022, compared with $900 million in the six months ended June 30, 2021. Excluding unfavorable foreign currency translation effects of $77 million, revenue increased by $209 million, mainly due to the pass through of higher input costs and favorable volume/mix effects.

Ardagh Metal Packaging Americas. Revenue increased by $378 million, or 37%, to $1,408 million in the six months ended June 30, 2022, compared with $1,030 million in the six months ended June 30, 2021. The increase in revenue principally reflected the pass through of higher input costs and favorable volume/mix effects.

Ardagh Glass Packaging Europe & Africa. Pro-forma revenue increased by $181 million, or 16%, to $1,320 million in the pro-forma six months ended June 30, 2022, compared with $1,139 million in the pro-forma six months ended June 30, 2021. Excluding unfavorable foreign currency translation effects of $88 million, pro-forma revenue increased by $269 million, or 24%, principally due to favorable volume/mix effects and selling price increases reflecting the pass through of higher input costs.

Ardagh Glass Packaging North America. Revenue increased by $52 million, or 6%, to $922 million in the six months ended June 30, 2022, compared with $870 million in the six months ended June 30, 2021. The increase in revenue reflected the pass through of higher input costs, partially offset by unfavorable volume/mix effects.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA decreased by $34 million, or 23%, to $117 million in the six months ended June 30, 2022, compared with $151 million in the six months ended June 30, 2021. Excluding unfavorable foreign currency translation effects of $13 million, Adjusted EBITDA decreased by $21 million, principally reflecting input cost inflation, partly offset by favorable volume/mix effects, which includes an impact of the Group's growth investment program.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $39 million, or 23%, to $209 million in the six months ended June 30, 2022, compared with $170 million in the six months ended June 30, 2021. The increase was primarily driven by strong recovery of input cost inflation and favorable volume/mix effects, which includes an impact of the Group's growth investment program.

Ardagh Glass Packaging Europe & Africa. Pro-forma Adjusted EBITDA decreased by $46 million, or 16%, to $245 million in the pro-forma six months ended June 30, 2022, compared with $291 million in the pro-forma six months ended June 30, 2021. Pro-forma Adjusted EBITDA decreased primarily due to increased input costs, including higher energy and logistics costs, which more than offset favorable volume/mix effects, increased selling prices to recover higher costs and insurance recoveries on covid related losses.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $20 million, or 19%, to $88 million in the six months ended June 30, 2022, compared with $108 million in the six months ended June 30, 2021. The decrease in Adjusted EBITDA was mainly driven by unfavorable volume/mix effects, including related increased freight and other operating costs, partially offset by increased selling prices.

Footnotes to the Selected Financial Information

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

(3) Includes exceptional finance income and expense.

(4) Net interest expense is as set out in Note 6 – Net finance expense of the interim consolidated 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 Consolidated Interim Statement of Cash Flows.

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

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

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

(9) 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.

(10) Net debt to pro-forma Adjusted LTM EBITDA ratio at June 30, 2022 of 7.4x, is based on net debt at June 30, 2022 of $9,927 million and pro-forma Adjusted EBITDA for the last twelve months to June 30, 2022 of $1,338 million. Net debt to Adjusted LTM EBITDA ratio at June 30, 2022 of 8.3x, is based on net debt at June 30, 2022 of $9,927 million and reported Adjusted EBITDA for the last twelve months to June 30, 2022 of $1,202 million. Net debt to Adjusted LTM EBITDA ratio at December 31, 2021 of 6.4x, is based on net debt at December 31, 2021 of $7,909 million and Adjusted EBITDA for the year ended December 31, 2021 of $1,245 million.

Unaudited Consolidated Interim Financial Statements

ARD FINANCE S.A.
CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Unaudited Three months ended June 30, 2022 Before exceptional items $'m	Exceptional Items $'m Note 5	Total $'m	Unaudited Three months ended June 30, 2021 Before exceptional items $'m	Exceptional Items $'m Note 5	Total $'m
Revenue	4	2,435	—	2,435	1,874	—	1,874
Cost of sales		(2,079)	(16)	(2,095)	(1,583)	(11)	(1,594)
Gross profit		**356**	**(16)**	**340**	**291**	**(11)**	**280**
Sales, general and administration expenses		(156)	(12)	(168)	(86)	(21)	(107)
Intangible amortization	7	(53)	—	(53)	(60)	—	(60)
Operating profit		**147**	**(28)**	**119**	**145**	**(32)**	**113**
Net finance expense	6	(102)	(18)	(120)	(129)	(8)	(137)
Share of post-tax profit/(loss) in equity accounted joint venture	8	9	(10)	(1)	(14)	(5)	(19)
Profit/(Loss) before tax		**54**	**(56)**	**(2)**	**2**	**(45)**	**(43)**
Income tax charge		(20)	8	(12)	(13)	1	(12)
Profit/(Loss) for the period		**34**	**(48)**	**(14)**	**(11)**	**(44)**	**(55)**
Loss attributable to:							
Equity holders				(38)			(53)
Non-controlling interests	14			24			(2)
Loss for the period				**(14)**			**(55)**

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 INCOME STATEMENT

		Unaudited Six months ended June 30, 2022			Unaudited Six months ended June 30, 2021		
	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	4,483	—	4,483	3,648	—	3,648
Cost of sales		(3,892)	(32)	(3,924)	(3,079)	(14)	(3,093)
Gross profit		**591**	**(32)**	**559**	**569**	**(14)**	**555**
Sales, general and administration expenses		(285)	(31)	(316)	(186)	(26)	(212)
Intangible amortization	7	(110)	—	(110)	(121)	—	(121)
Operating profit		**196**	**(63)**	**133**	**262**	**(40)**	**222**
Net finance (expense)/income	6	(211)	37	(174)	(226)	(13)	(239)
Share of post-tax profit/(loss) in equity accounted joint venture	8	35	(20)	15	(19)	(18)	(37)
Loss before tax		**20**	**(46)**	**(26)**	**17**	**(71)**	**(54)**
Income tax charge		(13)	3	(10)	(29)	3	(26)
Loss for the period		**7**	**(43)**	**(36)**	**(12)**	**(68)**	**(80)**
(Loss)/Profit attributable to:							
Equity holders				(75)			(78)
Non-controlling interests	14			39			(2)
Loss for the period				**(36)**			**(80)**

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		Unaudited	
		Three months ended June 30,		Six months ended June 30,	
	Note	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Loss for the period		**(14)**	**(55)**	**(36)**	**(80)**
Other comprehensive income/(expense):					
Items that may subsequently be reclassified to income statement					
Foreign currency translation adjustments:					
—Arising in the period		26	(13)	42	37
		26	**(13)**	**42**	**37**
Effective portion of changes in fair value of cash flow hedges:					
—New fair value adjustments into reserve		(3)	54	102	121
—Movement out of reserve to income statement		(34)	8	(44)	(20)
—Movement in deferred tax		13	(7)	4	(14)
		(24)	**55**	**62**	**87**
Loss recognized on cost of hedging:					
—New fair value adjustments into reserve		(1)	—	(4)	(1)
—Movement out of reserve		—	—	—	(1)
		(1)	**—**	**(4)**	**(2)**
Share of other comprehensive (expense)/income in equity accounted joint venture	8	**(19)**	**9**	**(24)**	**(5)**
Items that will not be reclassified to income statement					
—Re-measurement of employee benefit obligations	11	47	(9)	96	143
—Deferred tax movement on employee benefit obligations		(14)	19	(27)	(17)
		33	**10**	**69**	**126**
Share of other comprehensive income in equity accounted joint venture	8	10	1	19	8
Total other comprehensive income for the period		**25**	**62**	**164**	**251**
Total comprehensive income for the period		**11**	**7**	**128**	**171**
Attributable to:					
Equity holders		(9)	4	67	158
Non-controlling interests	14	20	3	61	13
Total comprehensive income for the period		**11**	**7**	**128**	**171**

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 June 30, 2022 $'m	Unaudited At December 31, 2021 $'m
Non-current assets			
Intangible assets	7	2,440	2,065
Property, plant and equipment	7	4,185	3,696
Derivative financial instruments		51	12
Deferred tax assets		179	217
Investment in material joint venture	8	288	303
Related party loan receivable	16	322	322
Employee benefit assets	11	50	78
Other non-current assets		29	28
		7,544	**6,721**
Current assets			
Inventories		1,381	1,103
Trade and other receivables		1,748	1,189
Contract assets		230	182
Derivative financial instruments		168	110
Related party loan receivable		—	13
Related party interest receivable	16	11	—
Cash, cash equivalents and restricted cash	10	1,223	3,049
		4,761	**5,646**
TOTAL ASSETS		**12,305**	**12,367**
Equity attributable to owners of the parent			
Equity share capital	9	—	—
Other reserves		411	410
Retained earnings		(2,805)	(2,788)
		(2,394)	**(2,378)**
Non-controlling interests	14	(20)	(38)
TOTAL EQUITY		**(2,414)**	**(2,416)**
Non-current liabilities			
Borrowings	10	10,666	10,504
Lease obligations	10	414	341
Employee benefit obligations	11	491	637
Derivative financial instruments		55	4
Deferred tax liabilities		309	307
Provisions and other liabilities	12	98	90
		12,033	**11,883**
Current liabilities			
Borrowings	10	9	16
Lease obligations	10	103	99
Interest payable		50	52
Derivative financial instruments		29	14
Trade and other payables		2,314	2,190
Income tax payable		121	116
Provisions	12	60	51
Dividends payable		—	362
		2,686	**2,900**
TOTAL LIABILITIES		**14,719**	**14,783**
TOTAL EQUITY and LIABILITIES		**12,305**	**12,367**

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

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

	Unaudited									
	Attributable to the owner of the parent									
	Share capital $'m	Capital contribution $'m	Foreign currency translation reserve $'m	Cash flow hedge reserve $'m	Cost of hedging reserve $'m	Other reserves $'m	Retained earnings $'m	Total $'m	Non-controlling interests $'m	Total equity $'m
At January 1, 2021	**—**	**10**	**88**	**41**	**12**	—	**(2,478)**	**(2,327)**	**(21)**	**(2,348)**
Loss for the period	—	—	—	—	—	—	(78)	**(78)**	(2)	**(80)**
Other comprehensive income/(expense)	—	—	29	90	(2)	—	119	**236**	15	**251**
Hedging gains transferred to cost of inventory	—	—	—	(24)	—	—	—	**(24)**	—	**(24)**
Dividends paid	—	—	—	—	—	—	(20)	**(20)**	—	**(20)**
Dividends by subsidiary to non-controlling interest	—	—	—	—	—	—	—	**—**	(6)	**(6)**
At June 30, 2021	**—**	**10**	**117**	**107**	**10**	**—**	**(2,457)**	**(2,213)**	**(14)**	**(2,227)**
At January 1, 2022	—	10	144	85	7	164	(2,788)	**(2,378)**	**(38)**	**(2,416)**
Loss for the period	—	—	—	—	—	—	(75)	**(75)**	39	**(36)**
Other comprehensive (expense)/income	—	—	21	50	(7)	—	78	**142**	22	**164**
Shares acquired by AMP (Treasury Shares)	—	—	—	—	—	(3)	—	**(3)**	—	**(3)**
Hedging gains transferred to cost of inventory	—	—	—	(60)	—	—	—	**(60)**	(18)	**(78)**
Share purchase (Note 9)	—	—	—	—	—	—	(20)	**(20)**	5	**(15)**
Dividends (Note 14)	—	—	—	—	—	—	—	**—**	(30)	**(30)**
At June 30, 2022	**—**	**10**	**165**	**75**	**—**	**161**	**(2,805)**	**(2,394)**	**(20)**	**(2,414)**

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 June 30,		Unaudited Six months ended June 30,	
	Note	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Cash flows from/used in operating activities					
Cash generated from/(used in) operations	13	182	279	(31)	267
Interest paid		(222)	(182)	(245)	(202)
Interest received		—	21	—	22
Income tax paid		(33)	(15)	(48)	(19)
Net cash (used in)/from operating activities		**(73)**	**103**	**(324)**	**68**
Cash flows used in investing activities					
Purchase of property, plant and equipment		(274)	(181)	(493)	(425)
Purchase of intangible assets		(5)	(2)	(8)	(5)
Proceeds from disposal of property, plant and equipment		—	1	—	1
Repayment of loan by ultimate parent company	16	—	—	13	—
Other investing cash flows		—	—	(2)	(13)
Purchase of businesses, net of cash acquired, and related derivative settlement gain	15	(572)	—	(572)	–
Cash Flows used in investing activities		**(851)**	**(182)**	**(1,062)**	**(442)**
Cash flows from financing activities					
Proceeds from borrowings	10	600	2,766	700	2,766
Repayment of borrowings	10	(125)	(3)	(595)	(9)
Debt settlement costs paid	5	—	—	(19)	—
Deferred debt issue costs paid		(8)	(26)	(10)	(30)
Share purchase	9	(1)	—	(15)	—
Lease payments		(31)	(28)	(63)	(55)
Dividends paid	14	(30)	(26)	(392)	(26)
Treasury shares purchased by AMPSA		(3)	—	(3)	—
Other financing activities		(1)	—	(1)	—
Consideration paid on maturity of derivative financial instruments		—	—	—	(5)
Net cash inflow/(outflow) from financing activities		**401**	**2,683**	**(398)**	**2,641**
Net (decrease)/increase in cash and cash equivalents		**(523)**	**2,604**	**(1,784)**	**2,267**
Cash and cash equivalents at the beginning of the period		1,775	950	3,049	1,298
Exchange (losses)/gains on cash and cash equivalents		(29)	16	(42)	5
Cash and cash equivalents at the end of the period	10	**1,223**	**3,570**	**1,223**	**3,570**

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

Notes to the Unaudited Consolidated Interim Financial Statements

1. General Information

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

The Company is a holding company whose assets as of June 30, 2022 consist mainly of its direct and indirect interest in the share capital of Ardagh Group S.A., a company incorporated and existing under the laws of Luxembourg, and certain related party receivables.

Ardagh Group S.A. ("Ardagh") and its subsidiaries (together, the "Ardagh Group") are a leading supplier of sustainable innovative, value-added rigid packaging solutions. 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.

Ardagh Group holds a 75.3% share in Ardagh Metal Packaging S.A. ("AMPSA"). AMPSA is a leading supplier of beverage cans globally, with a particular focus on the Americas and Europe. 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 5,800 people and recorded revenues of $4.1 billion in 2021.

Ardagh also holds a stake of approximately 42% in Trivium Packaging B.V., a leading supplier of metal packaging in the form of cans and aerosol containers, serving a broad range of end-use categories, principally including food, seafood, pet food and nutrition, as well as beauty and personal care. Trivium recorded revenues of $2.8 billion in 2021. 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 April 29, 2022, Ardagh Group acquired Consol the leading producer of glass packaging on the African continent, for an equity value of ZAR10.1 billion ($663 million). Please refer to Note 15 – Business Combinations for further details regarding the acquisition of Consol.

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

The Group does not have any operations within Russia or Ukraine and continues to monitor and comply with the various sanctions being imposed on the Russian government, certain Russian entities and individuals.

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

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

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

2. Statement of directors' approval

The unaudited consolidated interim financial statements were approved for issue by the board of directors of ARD Finance S.A. (the "Board") on August 26, 2022.

3. Summary of significant accounting policies

Basis of preparation

The unaudited consolidated interim financial statements of the Group for the three and six months ended June 30, 2022 and 2021, have been prepared in accordance with IAS 34 "Interim Financial Reporting". The unaudited consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Annual Report for the year ended December 31, 2021 which was prepared in accordance with International Financial Reporting Standards ("IFRS").

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

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

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

Recent changes in accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2022 have been assessed by the Directors. No new standards or amendments to existing standards effective January 1, 2022 have had or are expected to have a material impact for the Group. The Directors' assessment of the impact of new standards, which are not yet effective and which have not been early adopted by the Group, on the consolidated interim financial statements is on-going.

4. Segment analysis

Following Ardagh Group's acquisition of Consol (see Note 15– Business Combinations), the composition of Ardagh Group's operating and reporting segments changed. This reflects the basis on which the Ardagh Group's performance is reviewed by management and 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. 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.

*The Ardagh Group has aggregated the Ardagh Glass Packaging Europe and the new 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.

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 profit for the period to Adjusted EBITDA

	Three months ended June 30,		Six months ended June 30,	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Loss for the period	(14)	(55)	(36)	(80)
Income tax charge	12	12	10	26
Net finance expense	120	137	174	239
Depreciation and amortization	197	180	386	363
Exceptional operating items	28	32	63	40
Share of post-tax loss/(profit) in equity accounted joint venture	1	19	(15)	37
Adjusted EBITDA	**344**	**325**	**582**	**625**

Segment results for the three months ended June 30, 2022 and 2021 are:

	Revenue		Adjusted EBITDA	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Ardagh Metal Packaging Europe	533	464	61	85
Ardagh Metal Packaging Americas	770	527	120	88
Ardagh Glass Packaging Europe & Africa*	648	438	129	114
Ardagh Glass Packaging North America	484	445	46	53
Total Reportable segments	**2,435**	**1,874**	**356**	**340**
AMP indemnification**	–	–	–	(15)
Other Unreported***	–	–	(12)	–
Group	**2,435**	**1,874**	**344**	**325**

Segment results for the six months ended June 30, 2022 and 2021 are:

	Revenue		Adjusted EBITDA	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Ardagh Metal Packaging Europe	1,032	900	117	151
Ardagh Metal Packaging Americas	1,408	1,030	209	170
Ardagh Glass Packaging Europe & Africa*	1,121	848	195	211
Ardagh Glass Packaging North America	922	870	88	108
Total Reportable segments	**4,483**	**3,648**	**609**	**640**
AMP indemnification**	–	–	–	(15)
Other Unreported***	–	–	(27)	–
Group	**4,483**	**3,648**	**582**	**625**

*Included within Adjusted EBITDA for the three and six months period ended June 2022 is a credit of $12 million for insurance recoveries on COVID-related losses.

**AMP indemnification represents costs, borne by the Ardagh Group pursuant to a letter of agreement between the Ardagh Group and Ardagh Metal Packaging, whereby the Ardagh Group agreed to indemnify, defend and hold harmless Ardagh Metal Packaging and its subsidiaries and their respective successors from and against any and all losses incurred prior to December 31, 2021, resulting from the cyber security incident in 2021. In the full year 2021, the impact of this incident on Adjusted EBITDA, after insurance recoveries, was $nil.

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

No customer across all reportable segments accounted for greater than 10% of total revenue in the six months ended June 30, 2022 (2021: none).

Within each reportable segment our respective packaging containers have similar production processes and classes of customers. Further, they have similar economic characteristics. 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 June 30, 2022:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	530	2	1	533
Ardagh Metal Packaging Americas	–	597	173	770
Ardagh Glass Packaging Europe & Africa	505	4	139	648
Ardagh Glass Packaging North America	–	483	1	484
Group	**1,035**	**1,086**	**314**	**2,435**

The following illustrates the disaggregation of revenue by destination for the three months ended June 30, 2021:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	461	1	2	464
Ardagh Metal Packaging Americas	–	434	93	527
Ardagh Glass Packaging Europe & Africa	422	3	13	438
Ardagh Glass Packaging North America	–	445	–	445
Group	**883**	**883**	**108**	**1,874**

The following illustrates the disaggregation of revenue by destination for the six months ended June 30, 2022:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	1,025	4	3	1,032
Ardagh Metal Packaging Americas	–	1,116	292	1,408
Ardagh Glass Packaging Europe & Africa	958	7	156	1,121
Ardagh Glass Packaging North America	–	921	1	922
Group	**1,983**	**2,048**	**452**	**4,483**

The following illustrates the disaggregation of revenue by destination for the six months ended June 30, 2021:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	894	2	4	900
Ardagh Metal Packaging Americas	–	832	198	1,030
Ardagh Glass Packaging Europe & Africa	822	5	21	848
Ardagh Glass Packaging North America	–	870	–	870
Group	**1,716**	**1,709**	**223**	**3,648**

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

	Three months ended June 30,		Six months ended June 30,	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Over time	1,036	763	1,950	1,487
Point in time	1,399	1,111	2,533	2,161
Group	**2,435**	**1,874**	**4,483**	**3,648**

5. Exceptional items

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	$'m	$'m	$'m	$'m
Start-up related and other costs	16	5	32	8
Cyber security incident	—	6	—	6
Exceptional items - cost of sales	**16**	**11**	**32**	**14**
Transaction-related and other costs	42	11	58	16
Settlement of US legal matter	(34)	—	(34)	—
Cyber transformation costs	4	—	7	—
Cyber security incident	—	10	—	10
Exceptional items - SGA expenses	**12**	**21**	**31**	**26**
Interest expense	—	8	—	13
Losses/(Gains) on exceptional derivative financial instruments and other	18	—	(57)	—
Debt settlement costs	—	—	19	—
Interest expense	—	—	1	—
Exceptional items - finance expense/(income)	**18**	**8**	**(37)**	**13**
Share of exceptional items in material joint venture	10	5	20	18
Exceptional items from continuing operations	**56**	**45**	**46**	**71**
Exceptional income tax credit	(8)	(1)	(3)	(3)
Total exceptional charge, net of tax	**48**	**44**	**43**	**68**

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

2022

Exceptional items of $43 million have been recognized in the six months ended June 30, 2022, primarily comprising:

- $32 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($14 million) and Ardagh Metal Packaging Europe ($16 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.
- $58 million transaction-related and other costs relating to professional advisory fees in connection with transactions related to Ardagh Metal Packaging ($8 million) and Ardagh Glass Packaging Europe & Africa ($37 million). A further $13 million of costs related to acquisition and transaction costs, including professional advisory fees and other costs across the Ardagh Glass Packaging division.
- $34 million arising in Ardagh Glass Packaging North America from the resolution of a legal matter (as outlined in Note 19 – Events after the reporting period), which offsets losses and costs previously incurred in connection with these proceedings.
- $7 million relating to IT transformation costs following the 2021 cyber security incident, including professional support fees.
- $57 million finance income primarily relating to a $42 million gain realised on forward foreign exchange contracts entered into in connection with the acquisition of Consol (as outlined in Note 1 – General information) on April 29, 2022, a $14 million credit related to fair value and foreign currency gains on Public and Private Warrants and $1 million gain realised on sale of a minority investment.
- $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.
- $20 million from the Group's share of exceptional items arising in the Trivium joint venture.
- $3 million from the tax credit relating to the above exceptional items.

2021

Exceptional items of $68 million have been recognized in the six months ended June 30, 2021, primarily comprising:

- $8 million start-up related costs in Ardagh Metal Packaging Americas ($5 million) and Ardagh Metal Packaging Europe ($3 million), relating to the Group's investment programs.

- $16 million costs resulting from the cyber security incident, including professional support fees and direct incremental costs.
- $16 million transaction-related and other costs primarily relating to acquisition, business combination and other transactions, including professional advisory fees, and other costs related to transformation initiatives.
- $5 million, primarily interest payable on the AMP Notes Issuance in March 2021 related to the period prior to completion of the AMP transfer on April 1, 2021 and $8 million interest charges on the Group's 6.000% Senior Notes from the AMP transfer date related to the combination of Ardagh Metal Packaging with Gores Holdings V.
- $18 million from the share of exceptional items in the Trivium joint venture.
- $3 million from tax credits relating to the above exceptional items.

6. Net finance expense

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	$'m	$'m	$'m	$'m
Senior Secured, Senior Secured Green, Senior and Senior Green Notes	113	122	225	227
Other interest expense	17	5	25	10
Related party interest income	(6)	(5)	(11)	(10)
Interest expense	**124**	**122**	**239**	**227**
Net pension interest cost	3	2	5	5
Foreign currency translation (gains)/losses	(23)	6	(28)	—
Gains on derivative financial instruments	—	—	(1)	(4)
Other finance income	(2)	(1)	(4)	(2)
Net finance expense before exceptional items	**102**	**129**	**211**	**226**
Net exceptional finance expense/(income) (Note 5)	18	8	(37)	13
Net finance expense	**120**	**137**	**174**	**239**

7. Intangible assets and property, plant and equipment

	Intangible assets	Property, plant and equipment
	$'m	$'m
Net book value at January 1, 2022	2,065	3,696
Additions	13	576
Acquisition*	591	376
Charge for the period	(110)	(276)
Foreign exchange	(119)	(187)
Net book value at June 30, 2022	**2,440**	**4,185**

*During the six months ended June 30, 2022, provisional fair value adjustments related to goodwill, net of deferred tax, were made to the net assets acquired as part of the acquisition of Consol, as outlined in Note 15 – Business Combinations.

At June 30, 2022, the carrying amount of goodwill included within intangible assets was $1,668 million (December 31, 2021: $1,237 million).

At June 30, 2022, the carrying amount of the right-of-use assets included within property, plant and equipment was $478 million (December 31, 2021: $401 million).

The Group recognized a depreciation charge of $276 million in the six months ended June 30, 2022 (2021: $242 million), of which $63 million (2021: $52 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 June 30, 2022.

8. Investment in material joint venture

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

The following tables provide summarized 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 June 30,		Six months ended June 30,	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
(Loss)/gain for the period	(1)	(19)	15	(37)
Other comprehensive (expense)/income	(9)	10	(5)	3
Total comprehensive (loss)/gain	**(10)**	**(9)**	**10**	**(34)**

	At June 30,	At December 31,
	2022 $'m	2021 $'m
Investment in joint venture	288	303

The reconciliation of summarized financial information presented to the carrying amount of the Group's interest in Trivium at June 30, 2022 and 2021 respectively is set out below.

	2022 $'m	2021 $'m
Group's interest in net assets of material joint venture at January 1	303	390
Share of total comprehensive income/(expense)	10	(34)
Foreign exchange	(25)	(12)
Carrying amount of interest in material joint venture - June 30	**288**	**344**

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 June 30, 2022.

The Group is party to a Mutual Services Agreement ("MSA") with Trivium, pursuant to which the Group and Trivium provide services to each other. The services generally relate to administrative support in respect of tax reporting, logistics, R&D and certain IT services. The MSA provides for the sharing of certain facilities leased by the 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.

The Group recognized income of $nil and $2 million in respect of the MSA in the three and six months ended June 30, 2022 respectively (June 30, 2021: $3 million and $6 million).

At June 30, 2022 and December 31, 2021, 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 June 30, 2022 and December 31, 2021	**10.3**	**–**

During the period ended June 30, 2022, the Company acquired a number of shares from external shareholders of Ardagh Group S.A.. The combined impact of the transactions resulted in a reduction in the total equity of $15 million.

10. Financial assets and liabilities

At June 30, 2022, ARD Finance Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
Liabilities of the ARD Finance Group							
6.500%/7.250% Senior Secured Toggle Notes	USD	895	30-Jun-27	Bullet	895	895	–
5.000%/5.750% Senior Secured Toggle Notes	EUR	796	30-Jun-27	Bullet	796	827	–
ARD Finance Group total borrowings / undrawn facilities						**1,722**	**–**
Liabilities of the Ardagh Group							
5.250% Senior Secured Notes	USD	700	30-Apr-25	Bullet	700	700	–
4.125% Senior Secured Notes	USD	1,215	15-Aug-26	Bullet	1,215	1,215	–
2.125% Senior Secured Notes	EUR	439	15-Aug-26	Bullet	439	456	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	821	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	484	–
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	29-Sep-23	Bullet	4,900	300	–
JIBAR + 2.65% Senior Facility C	ZAR	595	29-Sep-23	Bullet	595	36	–
Global Asset Based Loan Facility	USD	467	16-Feb-27	Revolving	–	–	467
Lease obligations	Various	–		Amortizing	–	286	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	10	92
Restricted Group* total borrowings / undrawn facilities						**6,108**	**559**
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	450	467	–
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	500	519	–
4.000% Senior Green Notes	USD	1,050	01-Sep-29	Bullet	1,050	1,050	–
Global Asset Based Loan Facility	USD	325	06-Aug-26	Revolving	–	–	325
Lease obligations	Various	–		Amortizing	–	231	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	16	–
Unrestricted Group total borrowings / undrawn facilities**						**3,483**	**325**
Total borrowings / undrawn facilities						**11,313**	**884**
Deferred debt issue costs and bond discounts/bond premium						(121)	–
Net borrowings / undrawn facilities						**11,192**	**884**
Cash, cash equivalents and restricted cash						(1,223)	1,223
Derivative financial instruments used to hedge foreign currency and interest rate risk						(42)	–
Net debt / available liquidity						**9,927**	**2,107**

*Restricted Group refers to Ardagh Group excluding the AMPSA unrestricted Group.

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

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

The fair value of the restricted group's total borrowings and lease obligations at June 30, 2022, is $5,903 million (December 31, 2021: $8,000 million). The fair value of the unrestricted group's total borrowings excluding lease obligations at June 30, 2022 is $2,694 million (December 31, 2021: $2,701 million).

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

At December 31, 2021, ARD Finance Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
Liabilities of the ARD Finance Group							
6.500%/7.250% Senior Secured Toggle Notes	USD	1,130	30-Jun-27	Bullet	1,130	1,130	–
5.000%/5.750% Senior Secured Toggle Notes	EUR	1,000	30-Jun-27	Bullet	1,000	1,133	–
ARD Finance Group total borrowings/ undrawn facilities						**2,263**	**–**
Liabilities of the Ardagh Group							
5.250% Senior Secured Notes	USD	700	30-Apr-25	Bullet	700	700	–
4.125% Senior Secured Notes	USD	1,215	15-Aug-26	Bullet	1,215	1,215	–
2.125% Senior Secured Notes	EUR	439	15-Aug-26	Bullet	439	497	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	895	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	539	–
5.250% Senior Notes	USD	800	15-Aug-27	Bullet	800	800	–
5.250% Senior Notes	USD	1,000	15-Aug-27	Bullet	1,000	1,000	–
Global Asset Based Loan Facility	USD	467	07-Dec-22	Revolving	–	-	467
Lease obligations	Various	–		Amortising	–	258	–
Other borrowings/credit lines	Various	–	Rolling	Amortising	–	1	1
Restricted Group* total borrowings / undrawn facilities						**8,168**	**468**
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	450	510	–
3.250% Senior Secured Green Notes	USD	600	01-Sep-28	Bullet	600	600	–
3.000% Senior Green Notes	EUR	500	01-Sep-29	Bullet	500	566	–
4.000% Senior Green Notes	USD	1,050	01-Sep-29	Bullet	1,050	1,050	–
Global Asset Based Loan Facility	USD	325	06-Aug-26	Revolving		-	325
Lease Obligations	Various	–		Amortizing		182	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing		19	–
Unrestricted Group total borrowings / undrawn facilities**						**2,927**	**325**
Total borrowings / undrawn facilities						**11,095**	**793**
Deferred debt issue costs and bond discounts/bond premium						(135)	–
Net borrowings / undrawn facilities						**10,960**	**793**
Cash, cash equivalents and restricted cash						(3,049)	3,049
Derivative financial instruments used to hedge foreign currency and interest rate risk						(2)	–
Net debt / available liquidity						**7,909**	**3,842**

*Restricted Group refers to Ardagh Group excluding the AMPSA unrestricted Group.

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

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

	At June 30, 2022 $'m	At December 31, 2021 $'m
Liabilities of the ARD Finance Group		
Greater than five years	**1,722**	**2,263**
Liabilities of the Ardagh Group		
Within one year or on demand	63	58
Between one and three years	1,115	71
Between three and five years	2,549	3,361
Greater than five years	2,381	2,415
Restricted Group total borrowings	**6,108**	**5,905**
Within one year or on demand	49	56
Between one and three years	72	55
Between three and five years	672	59
Greater than five years	2,690	2,757
Unrestricted Group total borrowings	**3,483**	**2,927**
Total borrowings	**11,313**	**11,095**
Deferred debt issue costs and bond discounts/bond premium	(121)	(135)
Net Borrowings	**11,192**	**10,960**

Warrants

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

Financing activity

2022

On January 19, 2022, the Group redeemed $235 million of the $1,130 million 6.500% Senior Secured Toggle Notes due 2027. $895 million remains outstanding at June, 30 2022. On the same date, the Group also redeemed €204 million of the €1,000 million 5.000% Senior Secured Toggle Notes due 2027. €796 million remains outstanding at June, 30 2022. The Group paid applicable redemption premiums and accrued interest.

On June 8, 2022, AMPSA issued $600 million 6.000% Senior Secured Green Notes due 2027. Net proceeds from the issuance of the notes will be used for general corporate purposes.

Lease obligations at June 30, 2022 of $517 million (December 31, 2021: $440 million), primarily reflects $117 million of new lease liabilities and $42 million of lease liabilities acquired as part of the acquisition of Consol (see Note 15 – Business Combinations) offset by $82 million of principal repayments and foreign currency movements, in the six months ended June 30, 2022.

At June 30, 2022 the Group had $792 million available under the Global Asset Based Loan Facilities.

Forward foreign exchange contracts

During 2021, Ardagh entered into forward foreign exchange contracts in connection with the proposed acquisition of Consol. The acquisition was completed on April 29, 2022, resulting in a gain of $42 million. See Note 5 - Exceptional items for more details.

Cross currency interest rate swaps

The Group hedges certain of its external borrowings and interest payable thereon using cross-currency interest rate swaps ("CCIRS"), with a net asset position at June 30, 2022 of $42 million (December 31, 2021: $2 million net asset).

Fair value methodology

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

Fair values are calculated as follows:

(i) Senior Secured 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 June 30, 2022 have been re-measured in respect of the latest discount rates, inflation rates and asset valuations. A re-measurement gain of $47 million and $96 million (2021: loss of $9 million and gain of $143 million) has been recognized in the unaudited consolidated interim statement of comprehensive income for the three and six months ended June 30, 2022 respectively.

The re-measurement gain of $47 million recognized for the three months ended June 30, 2022 consisted of a decrease in the obligations of $288 million (2021: increase of $82 million), partly offset by a decrease in asset valuations of $241 million (2021: increase of $73 million).

The re-measurement gain of $96 million recognized for the six months ended June 30, 2022 consisted of a decrease in obligations of $481 million (2021: decrease of $127 million), partly offset by a decrease in asset valuations of $385 million (2021: increase of $16 million).

12. Other liabilities and provisions

	At June 30, 2022 $'m	At December 31, 2021 $'m
Provisions		
Current	60	51
Non-current	81	57
Other liabilities		
Non-current	17	33
	158	**141**

Other Liabilties

On August 4, 2021, all warrants previously exercisable for the purchase of shares in Gores Holdings V were converted into AMP warrants exercisable for the purchase of shares in AMP at an exercise price of $11.50 over a five-year period after the closing of the Merger on August 4, 2021. In accordance with IAS 32, those warrants have been recognized as a financial liability measured at fair value in the consolidated financial statements. For the warrants issued to the former sponsors of Gores Holdings V ("Private Warrants") a valuation was performed for the purpose of determining the financial liability. The valuation applied a Black Scholes model, using key assumptions for volatility (50%) (December 31, 2021: volatility 34%); a dividend yield implicit from the traded closing price of the AMP warrants; and risk-free rate. All other outstanding warrants ("Public Warrants") were valued using the traded closing prices of the AMP warrants. The estimated valuation of the liability as of June 30, 2022, and December 31, 2021, were $17 million and $33 million, respectively. Any changes in the valuation have been reflected in net exceptional finance income. Any increase or decrease in volatility of 5% would result in an increase or decrease in the fair value of the Private Warrants as of June 30, 2022, of approximately $1 million. Alternatively, an increase in the market-implied dividend yield of 1% would not result in a significant change in the fair value of the Private Warrants as of June 30, 2022.

13. Cash generated from/(used in) operations

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	$'m	$'m	$'m	$'m
Loss from operations	**(14)**	**(55)**	**(36)**	**(80)**
Income tax charge	12	12	10	26
Net finance expense	120	137	174	239
Depreciation and amortization	197	180	386	363
Exceptional operating items	28	32	63	40
Share of post-tax loss/(gain) in equity accounted joint venture	1	19	(15)	37
Movement in working capital	(123)	(30)	(489)	(320)
Transaction-related, start-up and other exceptional costs paid	(39)	(16)	(124)	(38)
Cash generated from/(used in) operations	**182**	**279**	**(31)**	**267**

14. Non-controlling interests

Included in non-controlling interests is the 24.7% of the total equity in the Group's subsidiary AMPSA (December 31, 2021: 24.7%). The total equity attributable to all non-controlling interests at June 30, 2022 is $20 million (December 31, 2021: $38 million). Dividends of $30 million have been paid to non-controlling interests during the six months ended June 30, 2022.

Summarized financial information, as of the date these interim consolidated financial statements were authorized for issue, for AMPSA for the six months ended and as at June 30, 2022 is set out below:

	Six months ended June 30,	
	2022	2021
	$'m	$'m
Profit/(loss) for the period	157	(48)
Cash flows (used in)/from operating activities	(139)	60

	At June 30,	At December 31,
	2022	2021
	$'m	$'m
Current assets	2,110	1,661
Non-current assets	3,678	3,664
Current liabilities	(1,489)	(1,400)
Non-current liabilities	(3,966)	(3,639)
Net assets	**333**	**286**

15. Business Combinations

On April 29, 2022, the Group acquired Consol, for an equity value of ZAR10.1 billion ($663 million). Consol, headquartered in Johannesburg and founded in 1946, is the leading producer of glass packaging on the African continent.

The following table summarizes the provisional consideration paid and the provisional fair value of assets acquired and liabilities assumed:

	$'m
Cash and cash equivalents	40
Property, plant and equipment	376
Intangible assets	83
Net working capital*	145
Income tax payable	(8)
Net deferred tax liability	(43)
Borrowings**	(432)
Employee benefit obligations	(5)
Total identifiable net assets	**156**
Goodwill	507
Total consideration	**663**

*Net working capital includes trade receivables of $103 million.
**Borrowings includes lease obligations of $42 million.

A purchase price allocation exercise is ongoing and as such the allocations above are based on management's preliminary estimate of the fair values. Total consideration consists of cash consideration paid of $663 million.

The net cash outflow relating to the acquisition is summarized below:

	$'m
Cash consideration paid	663
Cash and cash equivalents acquired	(40)
Related derivative settlement gain	(51)
Purchase of businesses, net of cash acquired, and related derivative settlement gain	**572**

Goodwill arising from the acquisition reflects the anticipated commercial and financial benefits, including synergies, which include the integration of four well-invested glass production facilities in addition to the skills and technical talent of the combined workforce.

The fair value of acquired trade receivables is materially equal to the gross contractual amounts receivable.

For the two months ended June 30, 2022, Consol contributed revenue and Adjusted EBITDA of $120 million and $49 million. If the acquisition of the business had occurred on January 1, 2022, Group revenue and Adjusted EBITDA would have been $4,682 million and $632 million.

16. Related party transactions

At June 30, 2022, ARD Finance S.A had related party loan of $322 million and interest receivable balances of $11million with ARD Securities Finance Sarl (December 31, 2021: $322 million with ARD Securities Finance Sarl and $13 million respectively with ARD Holdings S.A.).

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

During the period, certain directors of Ardagh Group S.A. acquired $35 million of the 6.500% Senior Secured Toggle Notes due 2027 and €22 million of the 5.000% Senior Secured Toggle Notes due 2027.

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

17. Contingencies

Environmental issues

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

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

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

Legal matters

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

18. Seasonality of operations

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

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

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

19. Events after the reporting period

On July 15, 2022, the Ardagh Group was awarded $84 million, including interest and costs by the ICC International Court of Arbitration. This award arose from an adverse jury decision in the District Court of Delaware in 2017, affirmed on Appeal in 2019, against Ardagh's North American glass business. Ardagh was indemnified by the seller of this business and initiated arbitration proceedings to recover the losses arising from the US legal proceedings. On August 9, 2022, the cash settlement of $84 million was received.

The Ardagh Group has accounted for the above transaction as an adjusting event under IAS 10 – "Events after the Reporting Period", as it provides further evidence of conditions that existed at the reporting date. This has resulted in an exceptional credit of $34 million being recognized in the income statement in the current period (see Note 5 – Exceptional items), offsetting previous losses and costs that have been incurred by the Ardagh Group in connection with this matter.

At the AMPSA extraordinary general meeting of shareholders held on July 8, 2022, AMPSA's shareholders approved a resolution to amend AMP's articles of association to create preferred shares. Following shareholder approval of this resolution, on July 8, 2022, AMP issued 56,306,306 non-convertible, non-voting 9% preferred shares of nominal value of €4.44 per preferred share to AGSA for €250 million (approximately $260 million).

Between August 3 and August 5, 2022, the Group terminated and restruck $300 million U.S. dollar to euro CCIRS, due for maturity in 2025, with the cash settlement being €31 million.

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