ArdaghGroup

ARD Finance S.A. Interim Report

For the three and nine months ended September 30, 2022

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Unaudited consolidated interim financial statements for the three and nine months ended September 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 September 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. 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 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. Any description of the business of the Group is a description of the business of the Ardagh Group.

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.

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

The 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 nine months ended September 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 September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Income Statement Data	(in $ millions except percentages)		(in $ millions except percentages)	
Revenue	2,344	1,942	6,827	5,590
Adjusted EBITDA [1]	**345**	**336**	**927**	**961**
Depreciation and amortization	(195)	(185)	(581)	(548)
Exceptional operating items [2]	(39)	(246)	(102)	(286)
Net finance expense [3]	(92)	(129)	(266)	(368)
Share of post-tax (loss)/profit in equity accounted joint venture	(1)	(10)	14	(47)
Profit/(loss) before tax	**18**	**(234)**	**(8)**	**(288)**
Income tax charge	(18)	(20)	(28)	(46)
Loss for the period	**—**	**(254)**	**(36)**	**(334)**
Other Data				
Adjusted EBITDA margin [1]	14.7%	17.3%	13.6%	17.2%
Net interest expense [4]	133	122	372	349
Maintenance capital expenditure [5]	126	98	352	255
Growth investment capital expenditure [5]	113	157	388	429

Balance Sheet Data	**At September 30, 2022**	**At December 31, 2021**
	(in $ millions, except ratios)	
Cash and cash equivalents [6]	1,211	3,049
Working capital [7]	861	233
Total assets	11,867	12,367
Total equity	(2,319)	(2,416)
Net borrowings [8]	10,970	10,960
Net debt [9]	9,718	7,909
Ratio of net debt to LTM Adjusted EBITDA [1,9,10]	8.0x	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 October 1, 2021.

All footnotes are on page 9 of this document.

FINANCIAL PERFORMANCE REVIEW

The consolidated results for the three months ended September 30, 2022 are presented on an as reported basis for Ardagh Glass Packaging Europe & Africa, and the consolidated results for the nine months ended September 30, 2022 and for the three and nine months ended September 30, 2021 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 September 30, 2022

Segment results for the three months ended September 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	**483**	**555**	**460**	**444**	**1,942**
Acquisition	—	—	164	—	164
Pro-forma Revenue 2021	**483**	**555**	**624**	**444**	**2,106**
Movement	80	125	168	23	396
FX translation	(70)	—	(88)	—	(158)
Revenue 2022	**493**	**680**	**704**	**467**	**2,344**

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	**76**	**100**	**104**	**58**	**338**	**(2)**	**336**
Acquisition	—	—	42	—	42	—	42
Pro-forma Adj. EBITDA 2021	**76**	**100**	**146**	**58**	**380**	**(2)**	**378**
Movement	(27)	2	14	(5)	(16)	2	(14)
FX translation	(11)	—	(21)	—	(32)	—	(32)
Adj. EBITDA 2022	**38**	**102**	**139**	**53**	**332**	**—**	**332**
Other Unreported**							13
Adj. EBITDA 2022							**345**
2022 margin %	**7.7%**	**15.0%**	**19.7%**	**11.3%**	**14.2%**	—	**14.7%**
2021 margin % - pro-forma	**15.7%**	**18.0%**	**23.4%**	**13.1%**	**18.0%**	—	**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 reduction in a provision in respect of a long-term incentive plan established by the Company.

Revenue

Ardagh Metal Packaging Europe. Revenue increased by $10 million, or 2%, to $493 million in the three months ended September 30, 2022, compared with $483 million in the three months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $70 million, revenue increased by $80 million, mainly due to the pass through of higher input costs and favorable volume/mix effects.

Ardagh Metal Packaging Americas. Revenue increased by $125 million, or 23%, to $680 million in the three months ended September 30, 2022, compared with $555 million in the three months ended September 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. Revenue increased by $80 million, or 13%, to $704 million in the three months ended September 30, 2022, compared with $624 million in the pro-forma three months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $88 million, revenue increased by $168 million, or 27%, 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 $23 million, or 5%, to $467 million in the three months ended September 30, 2022, compared with $444 million in the three months ended September 30, 2021. The increase in revenue primarily reflected the pass through of higher input costs, partly offset by adverse volume/mix effects.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA decreased by $38 million, or 50%, to $38 million in the three months ended September 30, 2022, compared with $76 million in the three months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $11 million, Adjusted EBITDA decreased by $27 million, principally reflecting input cost headwinds, which were partly offset by favorable volume/mix effects, which includes an impact of the Group’s growth investment program and favorable non-recurring SG&A and other gains.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $2 million, or 2%, to $102 million in the three months ended September 30, 2022, compared with $100 million in the three months ended September 30, 2021. The increase was primarily driven by favorable volume/mix effects, which includes an impact of the Group’s growth investment program, which was partly offset by increased operating costs and input cost headwinds.

Ardagh Glass Packaging Europe & Africa. Adjusted EBITDA decreased by $7 million, or 5%, to $139 million in the three months ended September 30, 2022, compared with $146 million in the pro-forma three months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $21 million, Adjusted EBITDA increased by $14 million or 10%. The increase is primarily due to favorable volume/mix effects, increased selling prices to recover higher costs, partially offset increased input costs, including higher energy costs.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $5 million, or 9%, to $53 million in the three months ended September 30, 2022, compared with $58 million in the three months ended September 30, 2021. The decrease in Adjusted EBITDA was mainly driven by unfavorable volume/mix effects.

Review of the nine months ended September 30, 2022

Segment results for the nine months ended September 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	**1,383**	**1,585**	**1,308**	**1,314**	**5,590**
Acquisition	—	—	455	—	455
Pro-forma Revenue 2021	**1,383**	**1,585**	**1,763**	**1,314**	**6,045**
Movement	289	503	437	75	1,304
FX translation	(147)	—	(176)	—	(323)
Pro-forma Revenue 2022	**1,525**	**2,088**	**2,024**	**1,389**	**7,026**

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	**227**	**270**	**315**	**166**	**978**	**(17)**	**961**
Acquisition	—	—	122	—	122	—	122
Pro-forma Adj. EBITDA 2021	**227**	**270**	**437**	**166**	**1,100**	**(17)**	**1,083**
Movement	(48)	41	(9)	(25)	(41)	17	(24)
FX translation	(24)	—	(44)	—	(68)	—	(68)
Pro-forma Adj. EBITDA 2022	**155**	**311**	**384**	**141**	**991**	**—**	**991**
Other Unreported**							(14)
Pro-forma Adj. EBITDA 2022							**977**
2022 margin % - pro-forma	**10.2%**	**14.9%**	**19.0%**	**10.2%**	**14.1%**	—	**13.9%**
2021 margin % - pro-forma	**16.4%**	**17.0%**	**24.8%**	**12.6%**	**18.2%**	—	**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 $142 million, or 10%, to $1,525 million in the nine months ended September 30, 2022, compared with $1,383 million in the nine months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $147 million, revenue increased by $289 million, mainly due to the pass through of higher input costs and favorable volume/mix effects.

Ardagh Metal Packaging Americas. Revenue increased by $503 million, or 32%, to $2,088 million in the nine months ended September 30, 2022, compared with $1,585 million in the nine months ended September 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 $261 million, or 15%, to $2,024 million in the pro-forma nine months ended September 30, 2022, compared with $1,763 million in the pro-forma nine months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $176 million, pro-forma revenue increased by $437 million, or 25%, 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 $75 million, or 6%, to $1,389 million in the nine months ended September 30, 2022, compared with $1,314 million in the nine months ended September 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 $72 million, or 32%, to $155 million in the nine months ended September 30, 2022, compared with $227 million in the nine months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $24 million, Adjusted EBITDA decreased by $48 million, principally reflecting input cost headwinds, which were 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 $41 million, or 15%, to $311 million in the nine months ended September 30, 2022, compared with $270 million in the nine months ended September 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, which was partly offset by increased operating costs.

Ardagh Glass Packaging Europe & Africa. Pro-forma Adjusted EBITDA decreased by $53 million, or 12%, to $384 million in the pro-forma nine months ended September 30, 2022, compared with $437 million in the pro-forma nine months ended September 30, 2021. Pro-forma Adjusted EBITDA decreased primarily due to increased input costs, in particular higher energy and logistics costs, which more than offset favorable volume/mix effects and increased selling prices to recover higher costs and insurance recoveries on covid related losses.

Ardagh Glass Packaging *North America.* Adjusted EBITDA decreased by $25 million, or 15%, to $141 million in the nine months ended September 30, 2022, compared with $166 million in the nine months ended September 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 audited consolidated financial statements.

(3) Includes exceptional finance income and expense.

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

(5) Capital expenditure is the sum of purchase of property, plant and equipment and software and other intangibles, net of proceeds from disposal of property, plant and equipment, as per the 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 September 30, 2022 of 7.4x, is based on net debt at September 30, 2022 of $9,718 million and pro-forma Adjusted EBITDA for the last twelve months to September 30, 2022 of $1,305 million. Net debt to Adjusted LTM EBITDA ratio at September 30, 2022 of 8.0x, is based on net debt at September 30, 2022 of $9,718 million and reported Adjusted EBITDA for the last twelve months to September 30, 2022 of $1,211 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 September 30, 2022			Unaudited Three months ended September 30, 2021		
		Before exceptional items $'m	Exceptional Items $'m	Total $'m	Before exceptional items $'m	Exceptional Items $'m	Total $'m
			Note 5			Note 5	
Revenue	4	2,344	—	2,344	1,942	—	1,942
Cost of sales		(2,057)	(17)	(2,074)	(1,644)	(6)	(1,650)
Gross profit		**287**	**(17)**	**270**	**298**	**(6)**	**292**
Sales, general and administration expenses		(85)	(22)	(107)	(89)	(240)	(329)
Intangible amortization		(52)	—	(52)	(58)	—	(58)
Operating profit/(loss)		**150**	**(39)**	**111**	**151**	**(246)**	**(95)**
Net finance expense	6	(99)	7	(92)	(104)	(25)	(129)
Share of post-tax loss in equity accounted joint venture	8	—	(1)	(1)	—	(10)	(10)
Profit/(Loss) before tax		**51**	**(33)**	**18**	**47**	**(281)**	**(234)**
Income tax charge		(26)	8	(18)	(22)	2	(20)
Loss for the period		**25**	**(25)**	**—**	**25**	**(279)**	**(254)**
Loss attributable to:							
Equity holders				(17)			(207)
Non-controlling interests	14			17			(47)
Loss for the period				**—**			**(254)**

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 Nine months ended September 30, 2022			Unaudited Nine months ended September 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	6,827	—	6,827	5,590	—	5,590
Cost of sales		(5,949)	(49)	(5,998)	(4,723)	(20)	(4,743)
Gross profit		**878**	**(49)**	**829**	**867**	**(20)**	**847**
Sales, general and administration expenses		(370)	(53)	(423)	(275)	(266)	(541)
Intangible amortization	7	(162)	—	(162)	(179)	—	(179)
Operating profit		**346**	**(102)**	**244**	**413**	**(286)**	**127**
Net finance expense	6	(310)	44	(266)	(330)	(38)	(368)
Share of post-tax profit/(loss) in equity accounted joint venture	8	35	(21)	14	(19)	(28)	(47)
Loss before tax		**71**	**(79)**	**(8)**	**64**	**(352)**	**(288)**
Income tax charge		(39)	11	(28)	(51)	5	(46)
Loss for the period		**32**	**(68)**	**(36)**	**13**	**(347)**	**(334)**
Loss attributable to:							
Equity holders				(92)			(285)
Non-controlling interests	14			56			(49)
Loss for the period				**(36)**			**(334)**

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 September 30,		Nine months ended September 30,	
	Note	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Loss for the period		**—**	**(254)**	**(36)**	**(334)**
Other comprehensive (expense)/income:					
Items that may subsequently be reclassified to income statement					
Foreign currency translation adjustments:					
—Arising in the period		(4)	13	38	50
		(4)	**13**	**38**	**50**
Effective portion of changes in fair value of cash flow hedges:					
—New fair value adjustments into reserve		129	69	231	190
—Movement out of reserve to income statement		(4)	(13)	(48)	(33)
—Movement in deferred tax		(12)	(5)	(8)	(19)
		113	**51**	**175**	**138**
Loss recognized on cost of hedging:					
—New fair value adjustments into reserve		(1)	(5)	(5)	(6)
—Movement out of reserve		—	—	—	(1)
—Movement in deferred tax		1	—	1	—
		—	**(5)**	**(4)**	**(7)**
Share of other comprehensive expense in equity accounted joint venture	8	**(14)**	**(3)**	**(38)**	**(8)**
Items that will not be reclassified to income statement					
—Re-measurement of employee benefit obligations	11	44	(9)	224	134
—Deferred tax movement on employee benefit obligations		(13)	2	(60)	(15)
		31	**(7)**	**164**	**119**
Share of other comprehensive income/(expense) in equity accounted joint venture	8	6	(2)	25	6
Total other comprehensive income for the period		**132**	**47**	**360**	**298**
Total comprehensive income/(expense) for the period		**132**	**(207)**	**324**	**(36)**
Attributable to:					
Equity holders		116	(167)	247	(9)
Non-controlling interests	14	16	(40)	77	(27)
Total comprehensive income/(expense) for the period		**132**	**(207)**	**324**	**(36)**

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 resulted in an understatement of $64 million of other comprehensive income for the three and six months periods ending March 31 and June 30, 2022, respectively. This further 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 and June 30, 2022, respectively. There is no impact on the prior year consolidated financial statements. Management concluded that a correction of this misstatement would be material to the consolidated interim statement of comprehensive income for the three months ending September 30, 2022 and will therefore revise the consolidated interim statement of comprehensive income for the three and six months periods ending March 31 and June 30, 2022, respectively, when they will be included in the consolidated interim financial statements as of March 31 and June 30, 2023, respectively.

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

	Note	Unaudited At September 30, 2022 $'m	Unaudited At December 31, 2021 $'m
Non-current assets			
Intangible assets	7	2,299	2,065
Property, plant and equipment	7	4,233	3,696
Derivative financial instruments		89	12
Deferred tax assets		136	217
Investment in material joint venture	8	260	303
Related party loan receivable	16	322	322
Employee benefit assets	11	44	78
Other non-current assets		30	28
		7,413	**6,721**
Current assets			
Inventories		1,328	1,103
Trade and other receivables		1,503	1,189
Contract assets		228	182
Derivative financial instruments		167	110
Related party loan receivable		—	13
Related party interest receivable	16	17	—
Cash, cash equivalents and restricted cash	10	1,211	3,049
		4,454	**5,646**
TOTAL ASSETS		**11,867**	**12,367**
Equity attributable to owners of the parent			
Equity share capital	9	—	—
Other reserves		428	410
Retained earnings		(2,724)	(2,788)
		(2,296)	**(2,378)**
Non-controlling interests	14	(23)	(38)
TOTAL EQUITY		**(2,319)**	**(2,416)**
Non-current liabilities			
Borrowings	10	10,114	10,504
Lease obligations	10	437	341
Employee benefit obligations	11	326	637
Derivative financial instruments		21	4
Deferred tax liabilities		273	307
Provisions and other liabilities	12	72	90
		11,243	**11,883**
Current liabilities			
Borrowings	10	317	16
Lease obligations	10	102	99
Interest payable		150	52
Derivative financial instruments		51	14
Trade and other payables		2,148	2,190
Income tax payable		111	116
Provisions	12	50	51
Dividends payable		14	362
		2,943	**2,900**
TOTAL LIABILITIES		**14,186**	**14,783**
TOTAL EQUITY and LIABILITIES		**11,867**	**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	—	—	—	—	—	—	(285)	**(285)**	(49)	**(334)**
Other comprehensive income/(expense)	—	—	38	128	(6)	—	116	**276**	22	**298**
Hedging gains transferred to cost of inventory	—	—	—	(50)	—	—	—	**(50)**	(4)	**(54)**
Business combination - Non-controlling interest	—	—	—	—	—	—	865	**865**	57	**922**
Business combination - Listing service	—	—	—	—	—	164	—	**164**	—	**164**
Re-attribution upon disposal of non-controlling interest	—	—	4	—	—	—	—	**4**	(4)	**—**
Dividends	—	—	—	—	—	—	(20)	**(20)**	—	**(20)**
Dividends by subsidiary to non-controlling interest	—	—	—	—	—	—	—	**—**	(32)	**(32)**
At September 30, 2021	**—**	**10**	**130**	**119**	**6**	**164**	**(1,802)**	**(1,373)**	**(31)**	**(1,404)**
At January 1, 2022	—	10	144	85	7	164	(2,788)	**(2,378)**	**(38)**	**(2,416)**
(Loss)/Profit for the period	—	—	—	—	—	—	(92)	**(92)**	56	**(36)**
Other comprehensive income/(expense)	—	—	9	158	(7)	—	177	**337**	23	**360**
Shares acquired by AMP (Treasury Shares)	—	—	—	—	—	(35)	—	**(35)**	—	**(35)**
Hedging gains transferred to cost of inventory	—	—	—	(107)	—	—	—	**(107)**	(25)	**(132)**
Share purchases (Note 9)	—	—	—	—	—	—	(21)	**(21)**	5	**(16)**
Dividends (Note 14)	—	—	—	—	—	—	—	**—**	(44)	**(44)**
At September 30, 2022	**—**	**10**	**153**	**136**	**—**	**129**	**(2,724)**	**(2,296)**	**(23)**	**(2,319)**

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

	Note	Unaudited Three months ended September 30, 2022 $'m	Unaudited Three months ended September 30, 2021 $'m	Unaudited Nine months ended September 30, 2022 $'m	Unaudited Nine months ended September 30, 2021 $'m
Cash flows from/used in operating activities					
Cash generated from operations	13	308	343	277	610
Interest paid		(33)	(33)	(278)	(248)
Settlement of foreign currency derivative financial instruments*		18	1	18	14
Interest received		—	1	—	23
Income tax paid		(28)	(16)	(76)	(35)
Net cash from/(used in) operating activities		**265**	**296**	**(59)**	**364**
Cash flows used in investing activities					
Purchase of property, plant and equipment		(237)	(250)	(730)	(675)
Purchase of intangible assets		(3)	(5)	(11)	(10)
Proceeds from disposal of property, plant and equipment		1	—	1	1
Repayment of loan by ultimate parent company	16	—	—	13	—
Other investing cash flows		(2)	5	(4)	(8)
Purchase of businesses, net of cash acquired, and related derivative settlement gain	15	—	—	(572)	–
Cash flows used in investing activities		**(241)**	**(250)**	**(1,303)**	**(692)**
Cash flows from financing activities					
Proceeds from borrowings	10	1	–	701	2,766
Repayment of borrowings	10	(1)	(794)	(596)	(803)
Dividends paid	14	—	—	(392)	(26)
Deferred debt issue costs paid		(4)	(8)	(14)	(38)
Share purchases	9	(1)	—	(16)	—
Lease payments		(34)	(30)	(97)	(85)
Debt settlement costs paid	5	—	—	(19)	—
Shares purchased by AMPSA		(32)	—	(35)	—
Consideration received/(paid) on termination/maturity of derivative financial instruments		37	(67)	37	(72)
Other financing activities		—	—	(1)	—
Proceeds from issuance of non- controlling interest, net of costs		—	934	—	934
Early redemption premium paid		—	(24)	—	(24)
Net cash (outflow)/inflow from financing activities		**(34)**	**11**	**(432)**	**2,652**
Net (decrease)/increase in cash and cash equivalents		**(10)**	**57**	**(1,794)**	**2,324**
Cash and cash equivalents at the beginning of the period		1,223	3,570	3,049	1,298
Exchange gains on cash and cash equivalents		(2)	(48)	(44)	(43)
Cash and cash equivalents at the end of the period	10	**1,211**	**3,579**	**1,211**	**3,579**

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 September 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. 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".

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

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.

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.

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

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".

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 November 25, 2022.

3. Summary of significant accounting policies

Basis of preparation

The unaudited consolidated interim financial statements of the Group for the three and nine months ended September 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 September 30,		Nine months ended September 30,	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Loss for the period	—	(254)	(36)	(334)
Income tax charge	18	20	28	46
Net finance expense	92	129	266	368
Depreciation and amortization	195	185	581	548
Exceptional operating items	39	246	102	286
Share of post-tax loss/(profit) in equity accounted joint venture	1	10	(14)	47
Adjusted EBITDA	**345**	**336**	**927**	**961**

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

	Revenue		Adjusted EBITDA	
	2022	**2021**	**2022**	**2021**
	$'m	**$'m**	**$'m**	**$'m**
Ardagh Metal Packaging Europe	493	483	38	76
Ardagh Metal Packaging Americas	680	555	102	100
Ardagh Glass Packaging Europe & Africa*	704	460	139	104
Ardagh Glass Packaging North America	467	444	53	58
Total Reportable segments	**2,344**	**1,942**	**332**	**338**
AMP indemnification**	–	–	–	(2)
Other Unreported***	–	–	13	–
Group	**2,344**	**1,942**	**345**	**336**

Segment results for the nine months ended September 30, 2022 and 2021 are:

	Revenue		Adjusted EBITDA	
	2022	**2021**	**2022**	**2021**
	$'m	**$'m**	**$'m**	**$'m**
Ardagh Metal Packaging Europe	1,525	1,383	155	227
Ardagh Metal Packaging Americas	2,088	1,585	311	270
Ardagh Glass Packaging Europe & Africa*	1,825	1,308	334	315
Ardagh Glass Packaging North America	1,389	1,314	141	166
Total Reportable segments	**6,827**	**5,590**	**941**	**978**
AMP indemnification**	–	–	–	(17)
Other Unreported***	–	–	(14)	–
Group	**6,827**	**5,590**	**927**	**961**

*Included within Adjusted EBITDA for the nine months period ended September 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.

***Segment results for the nine months ended September 30, 2022 include a provision in respect of a long-term incentive plan established by the Company. Segment results for the three months ended September 30, 2022 include a reduction in this provision.

One customer across all reportable segments accounted for greater than 10% of total revenue in the nine months ended September 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 September 30, 2022:

	Europe	North America	Rest of the world	Total
	$'m	**$'m**	**$'m**	**$'m**
Ardagh Metal Packaging Europe	487	2	4	493
Ardagh Metal Packaging Americas	–	551	129	680
Ardagh Glass Packaging Europe & Africa	510	4	190	704
Ardagh Glass Packaging North America	–	467	–	467
Group	**997**	**1,024**	**323**	**2,344**

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

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	479	2	2	483
Ardagh Metal Packaging Americas	1	447	107	555
Ardagh Glass Packaging Europe & Africa	447	4	9	460
Ardagh Glass Packaging North America	–	444	–	444
Group	**927**	**897**	**118**	**1,942**

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

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	1,512	6	7	1,525
Ardagh Metal Packaging Americas	–	1,667	421	2,088
Ardagh Glass Packaging Europe & Africa	1,468	11	346	1,825
Ardagh Glass Packaging North America	–	1,388	1	1,389
Group	**2,980**	**3,072**	**775**	**6,827**

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

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	1,373	4	6	1,383
Ardagh Metal Packaging Americas	1	1,279	305	1,585
Ardagh Glass Packaging Europe & Africa	1,269	9	30	1,308
Ardagh Glass Packaging North America	–	1,314	–	1,314
Group	**2,643**	**2,606**	**341**	**5,590**

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

	Three months ended September 30,		Nine months ended September 30,	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Over time	947	811	2,897	2,298
Point in time	1,397	1,131	3,930	3,292
Group	**2,344**	**1,942**	**6,827**	**5,590**

5. Exceptional items

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	$'m	$'m	$'m	$'m
Start-up related and other costs	17	9	49	17
Cyber security incident, net of insurance recovery	—	(3)	—	3
Exceptional items - cost of sales	**17**	**6**	**49**	**20**
Transaction-related and other costs	13	233	68	249
Settlement of US legal matter	—	—	(34)	—
Restructuring and other costs	6	3	9	3
Cyber transformation costs	3	—	10	—
Cyber security incident, net of insurance recovery	—	4	—	14
Exceptional items - SGA expenses	**22**	**240**	**53**	**266**
Gains on exceptional derivative financial instruments and warrants revaluation	(7)	—	(64)	—
Debt refinancing and settlement costs	—	23	19	23
Interest expense	—	4	1	17
Other	—	(2)	—	(2)
Exceptional items - finance (income)/expense	**(7)**	**25**	**(44)**	**38**
Share of exceptional items in material joint venture	1	10	21	28
Exceptional items from continuing operations	**33**	**281**	**79**	**352**
Exceptional income tax credit	(8)	(2)	(11)	(5)
Total exceptional charge, net of tax	**25**	**279**	**68**	**347**

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 $68 million have been recognized in the nine months ended September 30, 2022, primarily comprising:

- $49 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($25 million) and Ardagh Metal Packaging Europe ($22 million), primarily relating to the Group's investment programs. A further $2 million other costs in Ardagh Glass Packaging North America, as a result of weather related downtime.
- $68 million transaction-related and other costs primarily relating to professional advisory and other fees in connection with transformation initiatives in Ardagh Metal Packaging ($9 million), $8 million of foreign currency translation losses relating to the exceptional cost of hedging activities in Ardagh Metal Packaging Americas and transactions in Ardagh Glass Packaging Europe and Africa ($40 million). A further $11 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, which offsets losses and costs previously incurred in connection with these proceedings.
- $9 million restructuring and other costs in Ardagh Glass Packaging North America and Ardagh Glass Packaging Europe and Africa.
- $10 million relating to IT transformation costs following the 2021 cyber security incident, including professional support fees.
- $64 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 on April 29, 2022 (as outlined in Note 1- General information), and a $22 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.
- $21 million from the Group's share of exceptional items arising in the Trivium joint venture.

- $11 million from the tax credits relating to the above exceptional items.

2021

Exceptional items of $347 million have been recognized in the nine months ended September 30, 2021, primarily comprising:

- $17 million net costs resulting from the cyber security incident, including $34 million of professional support fees and direct incremental costs offset by $17 million of insurance recoverable recorded in the period ended September 30, 2021.
- $17 million start-up related costs primarily in Ardagh Metal Packaging Americas ($11 million) and Ardagh Metal Packaging Europe ($5 million), relating to the Group's investment programs.
- $249 million transaction-related and other costs, primarily comprised of an expense of $205 million relating to the service for the listing of the shares in AMP upon the completion of the Business Combination on August 4, 2021, and $44 million of costs relating to acquisition, business combination and other transaction costs, including professional advisory fees, and other costs.
- $3 million restructuring and other costs in Ardagh Glass Packaging North America.
- $23 million debt refinancing, and settlement costs related to the redemption of the Group's 6.000% Senior Notes in August 2021, including premium payable on the early redemption of the notes and accelerated amortization of deferred finance costs and bond premium.
- $5 million, primarily related to interest payable on AMP Notes Issuance in March 2021 related to the period prior to completion of the AMP transfer on April 1, 2021 and $12 million related to interest charges on the Group's 6.000% Senior Notes from the AMP transfer date, related to the combination of Ardagh Metal Packaging with Gores Holdings V, to the date of redemption.
- $28 million from the share of exceptional items in the Trivium joint venture.
- $5 million from tax credits relating to the above exceptional items.

6. Net finance expense

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
	$'m	**$'m**	**$'m**	**$'m**
Senior Secured, Senior Secured Green, Senior and Senior Green Notes	118	122	343	349
Other interest expense	19	6	44	16
Related party interest income	(4)	(6)	(15)	(16)
Interest expense	**133**	**122**	**372**	**349**
Net pension interest cost	2	3	7	8
Foreign currency translation losses	(31)	(2)	(59)	(2)
Gains on derivative financial instruments	—	(18)	(1)	(22)
Other finance income	(5)	(1)	(9)	(3)
Net finance expense before exceptional items	**99**	**104**	**310**	**330**
Net exceptional finance expense/(income) (Note 5)	(7)	25	(44)	38
Net finance expense	**92**	**129**	**266**	**368**

7. Intangible assets and property, plant and equipment

	Intangible assets $'m	Property, plant and equipment $'m
Net book value at January 1, 2022	2,065	3,696
Additions	16	920
Acquisition*	595	376
Disposals	—	(2)
Charge for the period	(162)	(419)
Foreign exchange	(215)	(338)
Net book value at September 30, 2022	**2,299**	**4,233**

*During the nine months ended September 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 September 30, 2022, the carrying amount of goodwill included within intangible assets was $1,606 million (December 31, 2021: $1,237 million).

At September 30, 2022, the carrying amount of the right-of-use assets included within property, plant and equipment was $501 million (December 31, 2021: $401 million).

The Group recognized a depreciation charge of $419 million in the nine months ended September 30, 2022 (2021: $369 million), of which $96 million (2021: $80 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 September 30, 2022.

8. Investment in material joint venture

Investment in material joint venture is comprised of the Group's approximate 42% investment in Trivium 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, 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 income statement, statement of comprehensive income and statement of financial position.

	Three months ended September 30,		Nine months ended September 30,	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
(Loss)/Gain for the period	(1)	(10)	14	(47)
Other comprehensive expense	(8)	(5)	(13)	(2)
Total comprehensive (loss)/gain	**(9)**	**(15)**	**1**	**(49)**

	At September 30, 2022 $'m	At December 31, 2021 $'m
Investment in joint venture	260	303

The reconciliation of summarized financial information presented to the carrying amount of the Group's interest in Trivium at September 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)	1	(49)
Foreign exchange	(44)	(20)
Carrying amount of interest in material joint venture - September 30	**260**	**321**

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 September 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 $1 million and $3 million in respect of the MSA in the three and nine months ended September 30, 2022 respectively (September 30, 2021: $3 million and $9 million).

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

During the period ended September 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 $16 million.

10. Financial assets and liabilities

At September 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			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	776	–	–	776	–
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	–	428	–	428	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	–	770	–	770	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	–	442	–	442	–
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	–	272	–	272	–
JIBAR + 2.65% Senior Facility C	ZAR	595	29-Sep-23	Bullet	–	33	–	33	–
Global Asset Based Loan Facility	USD	467	16-Feb-27	Revolving	–	–	–	–	467
Lease obligations	Various	–		Amortizing	–	296	–	296	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	13	–	13	77
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	–	–	439	439	–
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	–	–	487	487	–
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
Lease obligations	Various	–		Amortizing	–	–	243	243	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	–	22	22	–
Total borrowings / undrawn facilities					**1,671**	**5,969**	**3,441**	**11,081**	**959**
Deferred debt issue costs and bond discounts/bond premium					(9)	(64)	(38)	(111)	–
Net borrowings / undrawn facilities					**1,662**	**5,905**	**3,403**	**10,970**	**959**
Cash, cash equivalents and restricted cash					(28)	(600)	(583)	(1,211)	1,211
Derivative financial instruments used to hedge foreign currency and interest rate risk					–	(41)	–	(41)	–
Net debt / available liquidity					**1,634**	**5,264**	**2,820**	**9,718**	**2,170**

*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 AMPSA and its subsidiaries as set out 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 ARD Finance Group and Restricted Group's total borrowings excluding lease obligations at September 30, 2022, is $5,427 million (December 31, 2021: $8,000 million). The fair value of the unrestricted group's total borrowings excluding lease obligations at September 30, 2022 is $2,513 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. These facilities were undrawn at September 30, 2022 and December 31, 2021.

In October 2022 the final maturity date of the Group's Rand-denominated senior facilities was extended to February 28, 2024 (subject to customary closing procedures).

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

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn				Undrawn amount
		Local Currency			ARD Finance Group*	Restricted Group**	Unrestricted Group***	Total Group	
		m			$'m	$'m	$'m	$'m	$'m
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	1,133	–	–	1,133	–
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	–	497	–	497	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	–	895	–	895	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	–	539	–	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	–		Amortizing	–	258	–	258	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	1	–	1	1
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	–	–	510	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	–	–	566	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	182	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	–	19	19	–
Total borrowings / undrawn facilities					**2,263**	**5,905**	**2,927**	**11,095**	**793**
Deferred debt issue costs and bond discounts/bond premium					(12)	(83)	(40)	(135)	–
Net borrowings / undrawn facilities					**2,251**	**5,822**	**2,887**	**10,960**	**793**
Cash, cash equivalents and restricted cash					(140)	(2,446)	(463)	(3,049)	3,049
Derivative financial instruments used to hedge foreign currency and interest rate risk					–	(2)	–	(2)	–
Net debt / available liquidity					**2,111**	**3,374**	**2,424**	**7,909**	**3,842**

*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 AMPSA and its subsidiaries as set out in Note 1 - General information.

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

	At September 30, 2022	At December 31, 2021
	$'m	$'m
Liabilities of the ARD Finance Group		
Between three and five years	**1,671**	**2,263**
Liabilities of the Ardagh Group		
Within one year or on demand	369	58
Between one and three years	786	71
Between three and five years	4,711	3,361
Greater than five years	103	2,415
Restricted Group total borrowings	**5,969**	**5,905**
Within one year or on demand	50	56
Between one and three years	77	55
Between three and five years	676	59
Greater than five years	2,638	2,757
Unrestricted Group total borrowings	**3,441**	**2,927**
Total borrowings	**11,081**	**11,095**
Deferred debt issue costs and bond discounts/bond premium	(111)	(135)
Net Borrowings	**10,970**	**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 September 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 September 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 September 30, 2022 of $539 million (December 31, 2021: $440 million), primarily reflects $188 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 $131 million of principal repayments and foreign currency movements, in the nine months ended September 30, 2022.

At September 30, 2022 the Group had $882 million available under the Global Asset Based Loan Facilities. The amount increased from $792 million on June 30, 2022.

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 September 30, 2022 of $41 million (December 31, 2021: $2 million net asset).

During the period ended September 30, 2022, the Group re-struck $350 million of its U.S. dollar to euro CCIRS portfolio via termination and re-entering of new on-market trades. The cash received from these transactions was $39 million, including interest of $2 million.

Foreign currency derivative financial instruments

The Group operates in a number of currencies and, accordingly, hedges a portion of its currency transaction risk. A cash gain on hedging of $18 million and $18 million was recognized in the three and nine months ended September 30, 2022, respectively (2021: gain of $1 million and $14 million) and has been reflected within operating activities in the unaudited consolidated interim statement of cash flows.

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 September 30, 2022 have been re-measured in respect of the latest discount rates, inflation rates and asset valuations. A re-measurement gain of $44 million and $224 million (2021: loss of $9 million and gain of $134 million) has been recognized in the unaudited consolidated interim statement of comprehensive income for the three and nine months ended September 30, 2022 respectively.

The re-measurement gain of $44 million recognized for the three months ended September 30, 2022 consisted of a decrease in the obligations of $174 million (2021: decrease of $18 million), partly offset by a decrease in asset valuations of $130 million (2021: decrease of $27 million).

The re-measurement gain of $224 million recognized for the nine months ended September 30, 2022 consisted of a decrease in obligations of $739 million (2021: decrease of $145 million), partly offset by a decrease in asset valuations of $515 million (2021: decrease of $11 million).

During September 2022, a portion of assets and liabilities within the Ardagh North America Retirement Income Plan were spun out into a new scheme, the Ardagh Metal Pension Plan. This resulted in a Group cash outflow of $15 million.

12. Other liabilities and provisions

	At September 30, 2022 $'m	At December 31, 2021 $'m
Provisions		
Current	50	51
Non-current	64	57
Other liabilities		
Non-current	8	33
	122	**141**

Other Liabilities

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 ordinary 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 (54%) (December 31, 2021: volatility 34%); a dividend yield of 8%; and risk-free rate (4%). 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 September 30, 2022, and December 31, 2021, were $8 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 September 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 September 30, 2022.

13. Cash generated from operating activities

	Three months ended September 30,		Nine months ended September 30,	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Loss from operations	**—**	**(254)**	**(36)**	**(334)**
Income tax charge	18	20	28	46
Net finance expense	92	129	266	368
Depreciation and amortization	195	185	581	548
Exceptional operating items	39	246	102	286
Share of post-tax loss/(gain) in equity accounted joint venture	1	10	(14)	47
Movement in working capital	(74)	37	(563)	(283)
Transaction-related, start-up and other exceptional costs paid	37	(30)	(87)	(68)
Cash generated from operations	**308**	**343**	**277**	**610**

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 non-controlling interests at September 30, 2022 is $23 million (December 31, 2021: $38 million).

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

	Nine months ended September 30,	
	2022	**2021**
	$'m	**$'m**
Profit/(loss) for the period	225	(226)
Cash flows (used in)/from operating activities	(78)	198

	At September 30,	At December 31,
	2022	**2021**
	$'m	**$'m**
Current assets	2,079	1,661
Non-current assets	3,655	3,664
Current liabilities	(1,423)	(1,400)
Non-current liabilities	(3,763)	(3,639)
Net assets	**548**	**286**

At September 30, 2022, AMPSA has repurchased a total of 5,768,638 shares (December 31, 2021: nil shares) returning $35 million to shareholders. The repurchased shares have not been cancelled as of September 30, 2022. Subsequent to the period end, on October 5, 2022, all repurchased shares as of September 30, 2022 were cancelled. Dividends of $30 million have been paid to non-controlling interests during the nine months ended September 30, 2022. Dividends of $14 million have been approved and will be paid to non-controlling interests on October 27, 2022.

On July 8, 2022, AMP issued 56,306,306 non-convertible, non-voting 9% preferred shares of nominal value of €4.44 per share to AGSA resulting in $3 million transaction costs, of which $2 million has been paid as of September 30, 2022.

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*	141
Income tax payable	(8)
Net deferred tax liability	(43)
Borrowings**	(432)
Employee benefit obligations	(5)
Total identifiable net assets	**152**
Goodwill	511
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 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 Consol's 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 five months ended September 30, 2022, Consol contributed revenue and Adjusted EBITDA of $300 million and $95 million. If the acquisition of the business had occurred on January 1, 2022, Group revenue and Adjusted EBITDA would have been $7,026 million and $977 million.

16. Related party transactions

At September 30, 2022, ARD Finance S.A had a related party loan of $322 million and interest receivable balances of $17 million with ARD Securities Finance Sarl (December 31, 2021: loan receivable balances of $322 million and $13 million with ARD Securities Finance Sarl and ARD Holdings S.A. respectively).

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 $1,130 million 6.500% Senior Secured Toggle Notes due 2027 and €22 million of the €1,000 million 5.000% Senior Secured Toggle Notes due 2027.

In the nine months ended September 30, 2022, AMPSA completed the purchase of land from a subsidiary of Trivium Packaging B.V. for a total consideration of approximately $3 million. In addition, AMPSA also received cutting and printing services from a subsidiary of Trivium Packaging B.V. for approximately $50,000.

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 October 25, 2022, AMPSA approved an interim cash dividend of $0.10 per ordinary share. The interim cash dividend will be paid on November 28, 2022 to AMPSA shareholders of record on November 14, 2022.

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