ArdaghGroup

Interim Report

For the three months ended
March 31, 2022

Ardagh Group S.A.

INDEX TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Ardagh Group S.A.

Unaudited Consolidated Interim Financial Statements

As used herein, "AGSA" or the "Company" refer to Ardagh Group S.A., and "we", "our", "us", "Ardagh" and the "Group" refer to AGSA and its consolidated subsidiaries, unless the context requires otherwise.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with, and is qualified in its entirety by, reference to the Unaudited Consolidated Interim Financial Statements for the three months ended March 31, 2022 including the related notes thereto. As used in this section, the "Group" refers to Ardagh Group S.A. and its subsidiaries.

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.

Business Drivers

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

Ardagh Metal Packaging

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

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

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

Ardagh Glass Packaging

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

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

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

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

Supplemental Management's Discussion and Analysis

Key operating measures

Adjusted EBITDA consists of profit/(loss) for the year before income tax charge/(credit), net finance expense, depreciation and amortization, exceptional operating items and share of profit or loss in equity accounted joint venture. We use Adjusted EBITDA to evaluate and assess our segment performance. Adjusted EBITDA is presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate Adjusted EBITDA in a manner different from ours. Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered an alternative to profit/(loss) as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

For a reconciliation of the loss for the period to Adjusted EBITDA see Note 4 – Segment analysis of the unaudited consolidated interim financial statements.

Adjusted EBITDA in the three months ended March 31, 2022 decreased by $47 million, or 16%, to $253 million, compared with $300 million in the three months ended March 31, 2021. Excluding foreign currency translation effects of $11 million, Adjusted EBITDA in the three months ended March 31, 2022 declined by 12% compared with the same period last year.

The net debt to Adjusted EBITDA ratio at March 31, 2022 of 5.8x, is based on net debt at March 31, 2022 of $7,006 million and reported LTM Adjusted EBITDA for the twelve months ended March 31, 2022 of $1,198 million. The net debt to Adjusted EBITDA ratio at December 31, 2021 of 4.7x, is based on net debt at December 31, 2021 of $5,798 million and LTM Adjusted EBITDA for the twelve months ended December 31, 2021 of $1,245 million. Net debt is comprised of net borrowings, net of cash and cash equivalents. Net borrowings is comprised of non-current and current borrowings including lease obligations and derivative financial instruments used to hedge foreign currency and interest rate risk.

Segment Information

Three months ended March 31, 2022 compared with three months ended March 31, 2021

Segment results for the three months ended March 31, 2022 and 2021 are:

Revenue	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe	Ardagh Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
Revenue 2021	**436**	**503**	**410**	**425**	**1,774**
Movement	93	135	91	13	332
FX translation	(30)	—	(28)	—	(58)
Revenue 2022	**499**	**638**	**473**	**438**	**2,048**

Adjusted EBITDA	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe	Ardagh Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
Adjusted EBITDA 2021	**66**	**82**	**97**	**55**	**300**
Movement	(6)	7	(25)	(12)	(36)
FX translation	(4)	—	(7)	—	(11)
Adjusted EBITDA 2022	**56**	**89**	**65**	**43**	**253**
2022 margin %	**11.2%**	**13.9%**	**13.7%**	**9.8%**	**12.4%**
2021 margin %	**15.1%**	**16.3%**	**23.7%**	**12.9%**	**16.9%**

Revenue

Ardagh Metal Packaging Europe. Revenue increased by $63 million, or 14%, to $499 million in the three months ended March 31, 2022, compared with $436 million in the three months ended March 31, 2021. Excluding unfavorable foreign currency translation effects of $30 million, revenue increased by $93 million, mainly due to favorable volume/mix effects and the pass through of higher input costs.

Ardagh Metal Packaging Americas. Revenue increased by $135 million, or 27%, to $638 million in the three months ended March 31, 2022, compared with $503 million in the three months ended March 31, 2021. The increase in revenue principally reflected the pass through of higher input costs and favorable volume/mix effects.

Ardagh Glass Packaging Europe. Revenue increased by $63 million, or 15%, to $473 million in the three months ended March 31, 2022, compared with $410 million in the three months ended March 31, 2021. Excluding unfavorable foreign currency translation effects of $28 million, revenue increased by $91 million, or 22%, 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 $13 million, or 3%, to $438 million in the three months ended March 31, 2022, compared with $425 million in the three months ended March 31, 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 $10 million, or 15%, to $56 million in the three months ended March 31, 2022, compared with $66 million in the three months ended March 31, 2021. Excluding unfavorable foreign currency translation effects of $4 million, Adjusted EBITDA decreased by $6 million, principally reflecting input cost inflation, partly offset by favorable volume/mix effects.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $7 million, or 9%, to $89 million in the three months ended March 31, 2022, compared with $82 million in the three months ended March 31, 2021. The increase was primarily driven by strong recovery of input cost inflation and strong cost management.

Ardagh Glass Packaging Europe. Adjusted EBITDA decreased by $32 million, or 33%, to $65 million in the three months ended March 31, 2022, compared with $97 million in the three months ended March 31, 2021. Adjusted EBITDA decreased primarily due to increased input costs, including higher energy costs and logistic costs, which more than offset favorable volume/mix effects and increased selling prices to recover higher costs.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $12 million, or 22%, to $43 million in the three months ended March 31, 2022, compared with $55 million in the three months ended March 31, 2021. The decrease in Adjusted EBITDA was mainly driven by increased operating costs, including for freight and logistics, as well as unfavorable volume/mix effects.

Liquidity and Capital Resources

Cash requirements related to operations

Our principal sources of cash are cash generated from operations and external financings, including borrowings and other credit facilities. Our principal funding arrangements include borrowings available under the Global Asset Based Loan Facilities.

The following table outlines our principal financing arrangements as at March 31, 2022:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
							–
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	487	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	877	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	525	–
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	16-Feb-27	Revolving	–	–	467
Lease obligations	Various	–		Amortizing	–	248	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	1	1
Restricted Group total borrowings / undrawn facilities						**5,853**	**468**
2.000% Senior Secured Notes	EUR	450	01-Sep-28	Bullet	450	500	–
3.250% Senior Secured Notes	USD	600	01-Sep-28	Bullet	600	600	–
3.000% Senior Notes	EUR	500	01-Sep-29	Bullet	500	555	–
4.000% Senior Notes	USD	1,050	01-Sep-29	Bullet	1,050	1,050	–
Global Asset Based Loan Facility	USD	325	06-Aug-26	Revolving	–	100	225
Lease obligations	Various	–		Amortizing	–	181	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	18	–
Unrestricted Group* total borrowings / undrawn facilities						**3,004**	**225**
Total borrowings / undrawn facilities						**8,857**	**693**
Deferred debt issue costs and bond discounts/bond premium						(110)	–
Net borrowings / undrawn facilities						**8,747**	**693**
Cash, cash equivalents and restricted cash						(1,732)	1,732
Derivative financial instruments used to hedge foreign currency and interest rate risk						(9)	–
Net debt / available liquidity						**7,006**	**2,425**

*Unrestricted group refers to AMPSA and its subsidiaries as referred to in Note 1 - General information of the unaudited consolidated interim financial statements.

The following table outlines the minimum repayments the Group is obliged to make in the twelve months ending March 31, 2023, assuming that the other credit lines will be renewed or replaced with similar facilities as they mature.

Facility	Currency	Local Currency	Final Maturity Date	Facility Type	Minimum net repayment for the Twelve months ending March 31, 2023
		(in millions)			(in $ millions)
Global Asset Based Loan Facility	USD	467	16-Feb-27	Revolving	—
Global Asset Based Loan Facility	USD	325	06-Aug-26	Revolving	100
Lease obligations	Various	—		Amortizing	96
Other borrowings/credit lines	Various	1	Rolling	Amortizing	11
					207

The Group generates substantial cash flow from its operations and had $1,732 million in cash, cash equivalents and restricted cash as of March 31, 2022, as well as available but undrawn liquidity of $693 million under its credit facilities.

We believe that our cash balances and future cash flow from operating activities, as well as our credit facilities, will provide sufficient liquidity to fund our purchases of property, plant and equipment, interest payments on our notes and other credit facilities, and dividend payments for at least the next twelve months. In addition, we believe that we will be able to fund certain additional investments, which we may choose to pursue, from our current cash balances, credit facilities, cash flow from operating activities, and where necessary, incremental debt.

The Group's long-term liquidity needs primarily relate to the service of our debt obligations. We expect to satisfy our future long-term liquidity needs through a combination of cash flow generated from operations and, where appropriate, to refinance our debt obligations in advance of their respective maturity dates, as we have successfully done in the past.

Receivables Factoring and Related Programs

The Group participates in several uncommitted accounts receivable factoring and related programs with various highly reputable financial institutions for certain receivables, accounted for as true sales of receivables, without recourse to the Group. Receivables of $537 million were sold under these programs at March 31, 2022 (December 31, 2021: $554 million).

Trade Payables Processing

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

ARDAGH GROUP S.A.
CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Unaudited Three months ended March 31, 2022 Before exceptional items $'m	Exceptional Items $'m	Total $'m	Unaudited Three months ended March 31, 2021 Before exceptional items $'m	Exceptional Items $'m	Total $'m
			Note 5			Note 5	
Revenue	4	2,048	—	2,048	1,774	—	1,774
Cost of sales		(1,813)	(16)	(1,829)	(1,496)	(3)	(1,499)
Gross profit		**235**	**(16)**	**219**	**278**	**(3)**	**275**
Sales, general and administration expenses		(114)	(15)	(129)	(100)	(5)	(105)
Intangible amortization	7	(57)	—	(57)	(61)	—	(61)
Operating profit/(loss)		**64**	**(31)**	**33**	**117**	**(8)**	**109**
Net finance (expense)/income	6	(90)	75	(15)	(69)	(5)	(74)
Share of post-tax profit/(loss) in equity accounted joint venture	8	26	(10)	16	(5)	(13)	(18)
Profit/(Loss) before tax		**—**	**34**	**34**	**43**	**(26)**	**17**
Income tax credit/(charge)		7	(5)	2	(16)	2	(14)
Profit/(Loss) for the period		**7**	**29**	**36**	**27**	**(24)**	**3**
Profit attributable to:							
Equity holders				22			3
Non-controlling interests	14			14			—
Profit for the period				**36**			**3**

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

ARDAGH GROUP S.A.
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited Three months ended March 31, 2022 $'m	 2021 $'m
Profit for the period		**36**	**3**
Other comprehensive income/(expense):			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
—Arising in the period		4	(3)
		4	**(3)**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		105	67
—Movement out of reserve to income statement		(10)	(28)
—Movement in deferred tax		(9)	(7)
		86	**32**
Loss recognized on cost of hedging:			
—New fair value adjustments into reserve		(3)	(1)
—Movement out of reserve		—	(1)
		(3)	**(2)**
Share of other comprehensive expense in equity accounted joint venture	8	**(5)**	**(14)**
Items that will not be reclassified to income statement			
—Re-measurement of employee benefit obligations	11	49	152
—Deferred tax movement on employee benefit obligations		(13)	(36)
		36	**116**
Share of other comprehensive income in equity accounted joint venture	8	9	7
Total other comprehensive income for the period		**127**	**136**
Total comprehensive income for the period		**163**	**139**
Attributable to:			
Equity holders		124	139
Non-controlling interests	14	39	—
Total comprehensive income for the period		**163**	**139**

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

ARDAGH GROUP S.A.
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Unaudited At March 31, 2022 $'m	Unaudited At December 31, 2021 $'m
Non-current assets			
Intangible assets	7	1,994	2,065
Property, plant and equipment	7	3,726	3,696
Derivative financial instruments		25	12
Deferred tax assets		199	217
Investment in material joint venture	8	317	303
Employee benefit assets	11	77	78
Other non-current assets		30	28
		6,368	**6,399**
Current assets			
Inventories		1,239	1,103
Trade and other receivables		1,398	1,212
Contract assets		225	182
Derivative financial instruments		228	109
Cash, cash equivalents and restricted cash	10	1,732	2,909
		4,822	**5,515**
TOTAL ASSETS		**11,190**	**11,914**
Equity attributable to owners of the parent			
Equity share capital	9	23	23
Share premium		1,292	1,292
Capital contribution		485	485
Other reserves		387	350
Retained earnings		(3,156)	(3,218)
		(969)	**(1,068)**
Non-controlling interests	14	76	44
TOTAL EQUITY		**(893)**	**(1,024)**
Non-current liabilities			
Borrowings	10	8,207	8,254
Lease obligations	10	333	341
Employee benefit obligations	11	580	637
Derivative financial instruments		1	4
Deferred tax liabilities		294	307
Provisions and other liabilities	12	80	90
		9,495	**9,633**
Current liabilities			
Borrowings	10	111	15
Lease obligations	10	96	99
Interest payable		114	50
Derivative financial instruments		24	14
Trade and other payables		2,073	2,188
Income tax payable		120	116
Provisions	12	50	46
Dividends payable	15	—	777
		2,588	**3,305**
TOTAL LIABILITIES		**12,083**	**12,938**
TOTAL EQUITY and LIABILITIES		**11,190**	**11,914**

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

ARDAGH GROUP S.A.
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Unaudited										
	Attributable to the owner of the parent										
	Share capital $'m	Share premium $'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	**23**	**1,292**	**485**	**111**	**41**	**12**	**–**	**(2,326)**	**(362)**	**1**	**(361)**
Profit for the period	–	–	–	–	–	–	–	3	3	–	3
Other comprehensive (expense)/income	–	–	–	(16)	31	(2)	–	123	136	–	136
Hedging gains transferred to cost of inventory	–	–	–	–	(7)	–	–	–	(7)	–	(7)
Dividends (Note 15)	–	–	–	–	–	–	–	(35)	(35)	–	(35)
At March 31, 2021	**23**	**1,292**	**485**	**95**	**65**	**10**	**–**	**(2,235)**	**(265)**	**1**	**(264)**
At January 1, 2022	**23**	**1,292**	**485**	**84**	**96**	**6**	**164**	**(3,218)**	**(1,068)**	**44**	**(1,024)**
Profit for the period	–	–	–	–	–	–	–	22	**22**	14	**36**
Other comprehensive (expense)/income	–	–	–	(2)	69	(5)	–	40	**102**	25	**127**
Hedging gains transferred to cost of inventory	–	–	–	–	(25)	–	–	–	**(25)**	(7)	**(32)**
At March 31, 2022	**23**	**1,292**	**485**	**82**	**140**	**1**	**164**	**(3,156)**	**(969)**	**76**	**(893)**

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

ARDAGH GROUP S.A.
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		Unaudited Three months ended March 31,	
	Note	2022 $'m	2021 $'m
Cash flows used in operating activities			
Cash used in operations	13	(213)	(12)
Interest paid		(22)	(19)
Income tax paid		(15)	(4)
Net cash used in operating activities		**(250)**	**(35)**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(219)	(244)
Purchase of intangible assets		(3)	(3)
Repayment of loan by immediate parent company	16	23	–
Other investing cash flows		(2)	(13)
Cash Flows used in investing activities		**(201)**	**(260)**
Cash flows from financing activities			
Proceeds from borrowings	10	100	–
Repayment of borrowings	10	(4)	(6)
Deferred debt issue costs paid		(2)	(4)
Lease payments		(32)	(27)
Dividends paid	15	(777)	–
Consideration paid on maturity of derivative financial instruments		–	(5)
Net cash outflow from financing activities		**(715)**	**(42)**
Net decrease in cash and cash equivalents		**(1,166)**	**(337)**
Cash and cash equivalents at the beginning of the period		2,909	1,267
Exchange losses on cash and cash equivalents		(11)	(9)
Cash and cash equivalents at the end of the period	10	**1,732**	**921**

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

ARDAGH GROUP S.A.
NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Ardagh Group S.A. (the "Company") was incorporated in Luxembourg on May 6, 2011. The Company's registered office is 56, rue Charles Martel, L-2134 Luxembourg, Luxembourg.

Ardagh Group S.A. and its subsidiaries (together the "Group" or "Ardagh") are a leading supplier of sustainable innovative, value-added rigid packaging solutions. The 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 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. ("Trivium"), a leading supplier of metal packaging in the form of cans and aerosol containers, serving a broad range of end-use categories, principally including food, seafood, pet food and nutrition, as well as beauty and personal care. Trivium recorded revenues of $2.8 billion in 2021.

On November 26, 2021, the Group announced that it had agreed to acquire Consol Holdings Proprietary Limited ("Consol"), the leading producer of glass packaging on the African continent, for an equity value of ZAR10.1 billion ($635 million). Completion of the acquisition is subject to certain conditions, including regulatory approvals and is expected in the second quarter of 2022.

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.

2. Statement of directors' approval

The unaudited consolidated interim financial statements were approved for issue by the board of directors of Ardagh Group S.A. (the "Board") on April 27, 2022.

3. Summary of significant accounting policies

Basis of preparation

The unaudited consolidated interim financial statements of the Group for the three months ended March 31, 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. The functional currency of the Company is euro.

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

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

Recent changes in accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 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

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

- Ardagh Metal Packaging Europe
- Ardagh Metal Packaging Americas
- Ardagh Glass Packaging Europe
- Ardagh Glass Packaging North America

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

Reconciliation of profit for the period to Adjusted EBITDA

	Three months ended March 31,	
	2022	**2021**
	$'m	**$'m**
Profit for the period	36	3
Income tax (credit)/charge	(2)	14
Net finance expense	15	74
Depreciation and amortization	189	183
Exceptional operating items	31	8
Share of post-tax (profit)/loss in equity accounted joint venture	(16)	18
Adjusted EBITDA	**253**	**300**

Segment results for the three months ended March 31, 2022 and 2021 are:

	Revenue		Adjusted EBITDA	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Ardagh Metal Packaging Europe	499	436	56	66
Ardagh Metal Packaging Americas	638	503	89	82
Ardagh Glass Packaging Europe	473	410	65	97
Ardagh Glass Packaging North America	438	425	43	55
Group	**2,048**	**1,774**	**253**	**300**

One customer across all reportable segments accounted for greater than 10% of total revenue in the three months ended March 31, 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, as evidenced by similar profit margins, similar degrees of risk and similar opportunities for growth. Based on the foregoing, we do not consider that they constitute separate product lines and, therefore, additional disclosures relating to product lines are not necessary.

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

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

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

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

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

	Three months ended March 31,	
	2022 $'m	2021 $'m
Over time	914	724
Point in time	1,134	1,050
Group	**2,048**	**1,774**

5. Exceptional items

	Three months ended March 31,	
	2022	2021
	$'m	$'m
Start-up related and other costs	16	3
Exceptional items - cost of sales	**16**	**3**
Transaction-related and other costs	15	5
Exceptional items - SGA expenses	**15**	**5**
Interest payable on notes issuance	—	5
Gains on exceptional derivative financial instruments and other	(75)	—
Exceptional items - finance (income)/expense	**(75)**	**5**
Share of exceptional items in material joint venture	10	13
Exceptional items from continuing operations	**(34)**	**26**
Exceptional income tax charge/(credit)	5	(2)
Total exceptional (credit)/charge, net of tax	**(29)**	**24**

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 $29 million have been recognized in the three months ended March 31, 2022, primarily comprising:

- $16 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($7 million) and Ardagh Metal Packaging Europe ($7 million), relating to the Group's investment programs and $2 million other costs in Ardagh Glass Packaging North America, as a result of weather related downtime.
- $15 million transaction-related and other costs. Of this, $7 million primarily arose due to professional advisory fees in connection with transactions and other costs related to transformation initiatives in Ardagh Metal Packaging ($4 million) and Ardagh Glass Packaging North America ($3 million). $8 million of costs related to acquisition, other transaction costs, including professional advisory fees, and other costs in Ardagh Glass Packaging Europe.
- $75 million finance income primarily relating to a $69 million credit on the fair value movement on forward foreign exchange contracts entered into in connection with the proposed acquisition of Consol Holdings Proprietary Limited (as outlined in Note 1 – General information), and $6 million credit related to fair value and foreign currency gains on Public and Private Warrants.
- $10 million from the share of exceptional items in the Trivium joint venture.
- $5 million from the tax charge relating to the above exceptional items.

2021

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

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

6. Net finance expense

	Three months ended March 31,	
	2022	2021
	$'m	$'m
Senior secured and senior notes	86	72
Other interest expense	8	5
Interest expense	**94**	**77**
Net pension interest cost	2	3
Foreign currency translation gains	(3)	(6)
Gains on derivative financial instruments	(1)	(4)
Other finance income	(2)	(1)
Net finance expense before exceptional items	**90**	**69**
Net exceptional finance (income)/expense (Note 5)	(75)	5
Net finance expense	**15**	**74**

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	9	202
Acquisition*	1	—
Charge for the period	(57)	(132)
Foreign exchange	(24)	(40)
Net book value at March 31, 2022	**1,994**	**3,726**

*During the three months ended March 31, 2022, additional provisional fair value adjustments to customer relationships and goodwill, net of deferred tax, were made in relation to the net assets acquired as part of the business combination with Hart Print Inc.

At March 31, 2022, the carrying amount of goodwill included within intangible assets was $1,224 million (December 31, 2021: $1,237 million).

At March 31, 2022, the carrying amount of the right-of-use assets included within property, plant and equipment was $391 million (December 31, 2021: $401 million).

The Group recognized a depreciation charge of $132 million in the three months ended March 31, 2022 (2021: $122 million), of which $23 million (2021: $25 million) relates to right-of-use assets.

Impairment test for goodwill

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

Management has considered whether any impairment indicators existed at the reporting date and has concluded that the carrying amount of goodwill is fully recoverable as at March 31, 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 aggregated financial information for Trivium as it relates to the amounts recognized in the income statement, statement of comprehensive income and statement of financial position.

	Three months ended March 31,	
	2022	**2021**
	$'m	**$'m**
Gain/(loss) for the period	16	(18)
Other comprehensive income/(expense)	4	(7)
Total comprehensive gain/(loss)	**20**	**(25)**

	At March 31,	At December 31,
	2022	**2021**
	$'m	**$'m**
Investment in joint venture	317	303

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

	2022	**2021**
	$'m	**$'m**
Group's interest in net assets of material joint venture at January 1	303	390
Share of total comprehensive income/(expense)	20	(25)
Foreign exchange	(6)	(16)
Carrying amount of interest in material joint venture - March 31	**317**	**349**

Management has considered the carrying amount of the Group's equity accounted investment in Trivium and concluded that it is fully recoverable as at March 31, 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 and R&D. 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, and Trivium.

The Group recognized income of $2 million in respect of the MSA in the three months ended March 31, 2022 respectively (March 31, 2021: $3 million).

At March 31, 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:

	Class A common shares (par value €0.01) (million)	Class B common shares (par value €0.10) (million)	Total shares (million)	Total $'m
At December 31, 2021	2.9	217.7	220.6	23
At March 31, 2022	**2.9**	**217.7**	**220.6**	**23**

There were no material share transactions in the three months ended March 31, 2022.

10. Financial assets and liabilities

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

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
							–
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	487	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	877	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	525	–
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	16-Feb-27	Revolving	–	–	467
Lease obligations	Various	–		Amortizing	–	248	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	1	1
Restricted Group total borrowings / undrawn facilities						**5,853**	**468**
2.000% Senior Secured Notes	EUR	450	01-Sep-28	Bullet	450	500	–
3.250% Senior Secured Notes	USD	600	01-Sep-28	Bullet	600	600	–
3.000% Senior Notes	EUR	500	01-Sep-29	Bullet	500	555	–
4.000% Senior Notes	USD	1,050	01-Sep-29	Bullet	1,050	1,050	–
Global Asset Based Loan Facility	USD	325	06-Aug-26	Revolving	–	100	225
Lease obligations	Various	–		Amortizing	–	181	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	18	–
Unrestricted Group* total borrowings / undrawn facilities						**3,004**	**225**
Total borrowings / undrawn facilities						**8,857**	**693**
Deferred debt issue costs and bond discounts/bond premium						(110)	–
Net borrowings / undrawn facilities						**8,747**	**693**
Cash, cash equivalents and restricted cash						(1,732)	1,732
Derivative financial instruments used to hedge foreign currency and interest rate risk						(9)	–
Net debt / available liquidity						**7,006**	**2,425**

*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 and interest rate risks relating to Group borrowings.

The fair value of the restricted group's total borrowings excluding lease obligations at March 31, 2022, is $5,286 million (December 31, 2021: $5,693 million). The fair value of the unrestricted group's total borrowings excluding lease obligations at March, 31, 2022, is $2,561 million (December,2021: $2,682 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, the Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
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	–		Amortizing	–	258	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	1	1
Restricted Group total borrowings / undrawn facilities						**5,905**	**468**
2.000% Senior Secured Notes	EUR	450	01-Sep-28	Bullet	450	510	–
3.250% Senior Secured Notes	USD	600	01-Sep-28	Bullet	600	600	–
3.000% Senior Notes	EUR	500	01-Sep-29	Bullet	500	566	–
4.000% Senior Notes	USD	1,050	01-Sep-29	Bullet	1,050	1,050	–
Global Asset Based Loan Facility	USD	325	06-Aug-26	Revolving	–	–	325
Lease obligations	Various	–		Amortizing	–	182	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	19	–
Unrestricted Group* total borrowings / undrawn facilities						**2,927**	**325**
Total borrowings / undrawn facilities						**8,832**	**793**
Deferred debt issue costs and bond discounts/bond premium						(123)	–
Net borrowings / undrawn facilities						**8,709**	**793**
Cash, cash equivalents and restricted cash						(2,909)	2,909
Derivative financial instruments used to hedge foreign currency and interest rate risk						(2)	–
Net debt / available liquidity						**5,798**	**3,702**

*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 March 31, 2022 $'m	At December 31, 2021 $'m
Within one year or on demand	55	58
Between one and three years	74	71
Between three and five years	3,329	3,361
Greater than five years	2,395	2,415
Restricted Group total borrowings	**5,853**	**5,905**
Within one year or on demand	152	56
Between one and three years	55	55
Between three and five years	59	59
Greater than five years	2,738	2,757
Unrestricted Group total borrowings	**3,004**	**2,927**
Total borrowings	**8,857**	**8,832**
Deferred debt issue costs and bond discounts/bond premium	(110)	(123)
Net Borrowings	**8,747**	**8,709**

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

Lease obligations at March 31, 2022 of $429 million (December 31, 2021: $440 million), primarily reflects $34 million of principal repayments and foreign currency movements offset by $23 million of new lease liabilities, in the three months ended March 31, 2022.

At March 31, 2022 the Group had $692 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 Holdings Proprietary Limited. This resulted in a fair value credit of $69 million during the period. Refer to 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 March 31, 2022 of $9 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 and senior notes – the fair value of debt securities in issue is based on valuation techniques in which all significant inputs are based on observable market data and represent Level 2 inputs.

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

11. Employee benefit obligations

Employee benefit obligations at March 31, 2022 have been reviewed in respect of the latest discount rates, inflation rates and asset valuations. A re-measurement gain of $49 million (2021: gain of $152 million) has been recognized in the unaudited consolidated interim statement of comprehensive income for the three months ended March 31, 2022.

The re-measurement gain recognized for the three months ended March 31, 2022 consisted of a decrease in obligations of $193 million (2021: decrease of $209 million), partly offset by a decrease in asset valuations of $144 million (2021: decrease of $57 million).

12. Other liabilities and provisions

	At March 31, 2022 $'m	At December 31, 2021 $'m
Provisions		
Current	50	46
Non-current	53	57
Other liabilities		
Non-current	27	33
	130	**136**

Other Liabilities

On August 4, 2021, all warrants previously exercisable for the purchase of shares in Gores Holdings V were converted into AMPSA warrants exercisable for the purchase of shares in AMPSA 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 (36%) (December 31, 2021: volatility 34%); a dividend yield implicit from the traded closing price of the AMPSA warrants; and risk-free rate. All other outstanding warrants ("Public Warrants") were valued using the traded closing prices of the AMPSA warrants. The estimated valuation of the liability as of March 31, 2022, and December 31, 2021, were $27 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 March 31, 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 March 31, 2022.

13. Cash used in operating activities

	Three months ended March 31, 2022 $'m	2021 $'m
Profit from operations	**36**	**3**
Income tax (credit)/charge	(2)	14
Net finance expense	15	74
Depreciation and amortization	189	183
Exceptional operating items	31	8
Share of post-tax (gain)/loss in equity accounted joint venture	(16)	18
Movement in working capital	(381)	(290)
Transaction-related, start-up and other exceptional costs paid	(85)	(22)
Cash used in operations	**(213)**	**(12)**

14. Non-controlling interests

Non-controlling interests represent 24.7% of the total equity in the Groups subsidiary AMPSA (December 31, 2021: 24.7%). The total equity attributable to non-controlling interests at March 31, 2022 is $76 million (December 31, 2021: $44 million). No dividend has been paid to non-controlling interests during the three months ended March 31, 2022.

Summarized financial information, as of the date these interim consolidated financial statements were authorized for issue, for AMPSA for the three months ended and as at March 31, 2022 is set out below:

	Three months ended March 31, 2022 $'m	2021 $'m
Profit/(loss) for the period	57	(74)
Cash flows used in operating activities	(194)	(93)

	At March 31, 2022 $'m	At December 31, 2021 $'m
Current assets	1,751	1,661
Non-current assets	3,675	3,664
Current liabilities	(1,474)	(1,400)
Non-current liabilities	(3,537)	(3,639)
Net assets	**415**	**286**

15. Dividends

	Three months ended March 31,	
	2022	**2021**
	$'m	**$'m**
Cash dividends on common shares declared and paid:		
Interim dividend: $nil (2021: $0.15 per share)	—	(35)
Cash dividends on common shares declared 2021, paid 2022:		
Special cash dividend: $3.52 per share	(777)	—
	(777)	**(35)**

On December 15, 2021, the Board declared a special cash dividend of $3.52 per common share, paid on January 7, 2022 to the shareholders of record on December 27, 2021.

16. Related party transactions

Details of related party transactions in respect of the year ended December 31, 2021 are contained in Note 27 to the consolidated financial statements of the Group's 2021 Annual Report. The Group continued to enter into transactions in the normal course of business with related parties during the three months ended March 31, 2022.

During the period, the Group received full repayment in relation to a loan given to its immediate parent ARD Finance S.A. amounting to $23 million. The proceeds were received in connection with the special cash dividend as detailed in Note 15 – Dividends.

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 Group.

17. Contingencies

Environmental issues

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

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

- the manufacturing, sale and servicing of machinery and equipment for the container glass and metal packaging industry.

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

Legal matters

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

18. Seasonality of operations

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

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

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

19. Events after the reporting period

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

Cautionary Statement Regarding Forward-Looking Statements

This report includes statements that are, or may be deemed to be, forward-looking statements. All statements other than statements of historical fact included in this report regarding our business, financial condition, results of operations and certain of our plans, objectives, assumptions, projections, expectations or beliefs with respect to these items and statements regarding other future events or prospects, are forward-looking statements. These statements include, without limitation, those concerning: our strategy and our ability to achieve it; expectations regarding sales, profitability and growth; our possible or assumed future results of operations; R&D, capital expenditures and investment plans; adequacy of capital; and financing plans. The words "aim", "may", "will", "expect", "is expected to", "anticipate", "believe", "future", "continue", "help", "estimate", "plan", "schedule", "intend", "should", "would be", "seeks", "estimates", "shall" or the negative or other variations thereof, as well as other statements regarding matters that are not historical fact, are or may constitute forward-looking statements.

Although we believe that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

All forward-looking statements included in this report are based on information available to us on the date of this report. We undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary Statements contained throughout this report.

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