ArdaghGroup

Annual Report to Bondholders

For the year ended December 31, 2021

Ardagh Group S.A.

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Definitions and Terminology

Definitions and Terminology

Except where the context otherwise requires or, where otherwise indicated, all references to "Ardagh", "Ardagh Group", "Group", "AGSA," the "Company", "we", "us" and "our" refer to Ardagh Group S.A. and its consolidated subsidiaries, except where the context otherwise requires. Ardagh's operations have the following divisions: "Ardagh Metal Packaging" and "Ardagh Glass Packaging".

References to legislation are, except where otherwise stated, references to the legislation of the United States of America.

In addition, unless indicated otherwise, or the context otherwise requires, references in this annual report to:

- "AMP" are to Ardagh Metal Packaging S.A. and its consolidated subsidiaries, except where the context requires otherwise;
- "AMP Business" are to the business of developing, manufacturing, marketing and selling metal beverage cans and ends and related technical and customer services as engaged by AMP and its subsidiaries;
- "AMP Transfer" are to a series of transactions pursuant to the Transfer Agreement in connection with the Business Combination effected by AGSA on April 1, 2021 that resulted in (a) the equity interests of Ardagh Packaging Holdings Limited, an Irish subsidiary of AGSA, and certain other subsidiaries of AGSA engaged in the metal beverage can business being directly or indirectly owned by AMP (all such entities collectively, the "AMP Entities") and (b) any assets and liabilities relating to the business of AGSA (other than the AMP Business) that are held by the AMP Entities being transferred to subsidiaries of AGSA that are not AMP Entities, and assets and liabilities relating to the AMP Business that are held by subsidiaries of AGSA (other than the AMP Entities) being transferred to the AMP Entities;
- "Articles" are to the Company's articles of association;
- "Brexit" are to the withdrawal of the United Kingdom from the European Union on January 31, 2020;
- "Business Combination" are to the transactions contemplated by the Business Combination Agreement;
- "Business Combination Agreement" are to the business combination agreement dated as of February 22, 2021, as amended from time to time, by and among GHV, AMP, Ardagh Group and MergeCo;
- "CCIRS" are to cross currency interest rate swaps;
- "CGUs" are to cash generating units;
- "COVID-19" are to SARS-CoV-2 or COVID-19, and any evolutions, mutations or variants thereof or related or associated epidemics, pandemic or disease outbreaks;
- "EPA" are to the U.S. Environmental Protection Agency;
- "EU IED" are to the EU Industrial Emissions Directive (Directive 2010/75/EU);
- "Exchange Act" are to the U.S. Securities Exchange Act of 1934, as amended;
- "GHGs" are to carbon dioxide and other greenhouse gases;
- "GHV" are to Gores Holdings V, Inc., a Delaware corporation which, following the Merger, was renamed to "Ardagh MP USA Inc";
- "GHV Sponsor" are to Gores Sponsor V LLC, a Delaware limited liability company;
- "IAS" are to the International Accounting Standards;
- "IASB" are to the International Accounting Standards Board;

- “IFRS” are to International Financial Reporting Standards as issued by the IASB and related interpretations as adopted by the IASB;
- “IPO” are to the Company’s initial public offering, which closed on March 20, 2017;
- “Luxembourg Law” are to the provisions of the laws of the Grand Duchy of Luxembourg;
- “Luxembourg” are to the Grand Duchy of Luxembourg;
- “MergeCo” are to Ardagh MP MergeCo Inc;
- “Merger” are to the merger of MergeCo with and into GHV, with GHV surviving the Merger as a wholly owned subsidiary of AMP, which occurred on August 4, 2021;
- “NYSE” are to the New York Stock Exchange;
- “Parent Company” are to ARD Holdings S.A. and/or, where relevant, one or more of its subsidiaries;
- “Ppm” are to parts per million;
- “REACH” are to the European Union’s regulations concerning the Registration, Evaluation, Authorization and Restriction of Chemicals;
- “Science-Based Sustainability Targets” are to the targets that are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement of 2015 (limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C);
- “Science-Based Targets initiative” are to the initiative to drive climate action in the private sector by enabling companies to set science-based emissions reduction targets;
- “Scope 1 Emissions” are to those GHG emissions that an organization makes directly from activities;
- “Scope 2 Emissions” are to those GHG emissions that an organization makes indirectly;
- “Scope 3 Emissions” are to all indirect GHG emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions;
- “Shareholder Agreement” are to the shareholder agreement dated March 20, 2017, entered into between AGSA and the Parent Company;
- “Toggle Notes” are to the Parent Company’s Dollar Toggle Notes and Euro Toggle Notes as referred to in *Major Shareholders and Related Party Transactions*;
- “Transfer Agreement” are to the transfer agreement, dated as of February 22, 2021, by and between AGSA and AMP;
- “Trivium” are to Trivium Packaging B.V. and/or, where relevant, its consolidated subsidiaries; and
- “VNA” are to the Group's U.S. glass packaging business, formerly Verallia North America.

General Information

General Information

Ardagh Group S.A. was incorporated under the laws of 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 registered with the R.C.S Luxembourg under number B 160804.

The Company has direct and indirect ownership of 100% of the issued share capital of a holding company which holds all of our finance and operating subsidiaries of Ardagh Glass Packaging. Ardagh holds approximately 75.3% of the common shares of Ardagh Metal Packaging S.A., which holds all the finance and operating subsidiaries of Ardagh Metal Packaging as a result of the Company's entry into the Business Combination Agreement dated as of February 22, 2021 as referred to in note 1 - General Information of the audited consolidated financial statements. Ardagh holds approximately 42% of the ordinary shares of 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.

We are a leading supplier of sustainable, innovative, value added rigid packaging solutions. Our products include metal beverage cans and glass containers primarily for beverage and food markets, which are characterized by stable, consumer driven demand. Our end use categories include beer, food, hard seltzers, wine, spirits, carbonated soft drinks, energy drinks, juices and sparkling waters. Our customers include a wide variety of leading consumer product companies which value our packaging products for their features, convenience and quality, as well as the end user appeal they offer through design, innovation, functionality, premium association and brand promotion. With our significant invested capital base, supported by consistent levels of re-investment, our extensive technological capabilities and manufacturing know how, we believe we are well positioned to continue to meet the dynamic needs of our customers. We have mainly built our Company through strategic acquisitions and other corporate transactions and have established leadership positions in large, attractive markets in beverage cans and glass containers. We are currently embarked on a multi-year growth investment program, totaling over $2.0 billion and comprising multiple projects in Ardagh Metal Packaging and Ardagh Glass Packaging to support our customers' growth and to enhance our productivity.

We serve over 1,500 customers across approximately 90 countries, comprised of multi national companies, large national and regional companies and numerous local businesses. In our target regions of Europe, North America and Brazil, our customers include a wide variety of CPGs, which own some of the best known brands in the world. We have a stable customer base with long-standing relationships and approximately three quarters of our sales are generated under multi year contracts, with the remainder largely subject to annual arrangements. A significant portion of our sales volumes are supplied under contracts which include input cost pass through provisions, which help us deliver generally consistent margins.

We operate 58 production facilities in 12 countries and employ approximately 17,700 personnel. Our plant network includes 24 metal packaging production facilities and 34 glass packaging production facilities. Our plants are generally located to serve our customers' filling locations. Certain facilities may also be dedicated to specific end use categories, enhancing product specific expertise and generating benefits of scale and production efficiency. Significant capital has been invested in our extensive network of long lived production facilities, which, together with our skilled workforce and related manufacturing process know how, supports our competitive positions.

We are committed to market leading innovation and product development and maintain dedicated innovation, development and engineering centers in the United States and Europe to support these efforts. These facilities focus on three main areas: (i) innovations that provide enhanced product design, differentiation and user friendliness for our customers and end use consumers; (ii) innovations that reduce input costs to generate cost savings for both our customers and us (lightweighting); and (iii) developments to meet evolving product safety standards and regulations.

Group Consolidated Financial Statements – Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with, and are in compliance with IFRS and related interpretations, as adopted by the IASB. IFRS is comprised of standards and interpretations approved by the IASB and IFRS and interpretations approved by the predecessor International Accounting Standards Committee that have been subsequently approved by the IASB and remain in effect. References to IFRS hereafter should be construed as references to IFRS as adopted by the IASB.

The consolidated financial statements, are presented in U.S. dollar, rounded to the nearest million and have been prepared under the historical cost convention, except for the following:

- derivative financial instruments are stated at fair value; and
- employee benefit obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets valued at fair value.

The preparation of consolidated financial information in conformity with IFRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the process of applying Group accounting policies. These estimates, assumptions and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. However, actual outcomes may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are discussed in the critical accounting estimates, assumptions and judgments.

The consolidated financial statements for the Group were authorized for issue by the board of directors of Ardagh Group S.A. on February 23, 2022.

Forward-Looking Statements

Forward-looking statements reflect the Company's current expectations and projections about future events at the time, and thus involve uncertainty and risk. The words "believe," "expect," "anticipate," "will," "could," "would," "should," "may," "plan," "estimate," "intend," "predict," "potential," "continue," and the negatives of these words and other similar expressions generally identify forward-looking statements. It is possible the Company's future financial performance may differ from expectations due to a variety of factors including, but not limited to, the following:

(i) global and regional economic downturn; (ii) the impact of COVID-19 and measures to prevent its spread on our business, demand for our customers' products, supply chain and workforce; (iii) competition from other metal packaging and glass packaging producers and manufacturers of alternative forms of packaging; (iv) increases in metal beverage cans and glass container manufacturing capacity; (v) the Company's inability to maintain relationships with its largest customers or suppliers; (vi) less than expected levels of demand; (vii) varied seasonal demands, climate and water conditions, and the availability and cost of raw materials; (viii) foreign currency, interest rate and commodity price fluctuations; (ix) various environmental requirements; (x) the Company's substantial debt and its ability to generate cash and comply with financial covenants; (xi) the Group's accounting carrying value of its investment in a material joint venture reduces if it incurs losses; (xii) the Company's ability to integrate acquired businesses and achieve expected operating efficiencies, cost savings and other synergies; (xiii) the availability and cost of raw materials and energy; (xiv) costs associated with post-retirement and post-employment obligations; (xv) operating hazards, supply chain interruptions or unanticipated interruptions at our manufacturing facilities, including due to virus and disease outbreaks, labor strikes or work stoppages; (xvi) claims of injury or illness from materials used at our production sites or in our products; (xvii) regulation of materials used in packaging and consumer preferences for alternative forms of packaging; and (xviii) retention of executive and senior management.

Any forward-looking statements in this document are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate in the circumstances. Forward-looking statements are not a guarantee of future performance and actual results or developments may differ materially from expectations. While the Company continually reviews trends and uncertainties affecting the Company's results of operations and financial condition, the Company does not assume any obligation to update or supplement any particular forward-looking statements contained in this document.

Selected Financial Information

Selected Financial Information

The financial data of Ardagh Group S.A. as of and for the years ended December 31, 2021 and 2020 is derived from the audited consolidated financial statements included in this annual report.

The summary historical financial data set forth below should be read in conjunction with and is qualified in its entirety by reference to the audited consolidated financial statements included in this annual report and the related notes thereto. The following financial data should also be read in conjunction with the "Operating and Financial Review" also included in this annual report.

	Year ended December 31,	
	2021	**2020**
Income Statement Data	**(in $ millions except ratios and percentages)**	
Revenue	7,577	6,731
Adjusted EBITDA [1]	**1,245**	**1,155**
Depreciation and amortization	(746)	(688)
Exceptional items [2]	(851)	(58)
Net finance expense [3]	(377)	(338)
Share of post-tax loss in equity accounted joint venture	(55)	(48)
(Loss)/profit before tax	**(784)**	**23**
Income tax credit/(charge)	18	(10)
(Loss)/profit from continuing operations	**(766)**	**13**
Profit from discontinued operation	—	22
(Loss)/profit for the year	**(766)**	**35**
Balance Sheet Data		
Cash and cash equivalents [4]	2,909	1,267
Working capital [5]	263	302
Total assets	11,914	9,652
Total equity	(1,024)	(361)
Net borrowings [6]	8,709	6,861
Net debt [7]	5,798	5,699
Ratio of net debt to Adjusted EBITDA [1,7,8]	4.7x	4.9x
Other Data		
Adjusted EBITDA margin [1]	16.4%	17.2%
Interest expense [9]	376	302
Maintenance capital expenditure [10]	371	326
Growth investment capital expenditure [10]	695	217

All footnotes are on page 19 of this document.

Operating and Financial Review

Operating and Financial Review

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.

Cyber Security Incident

On May 17, 2021, the Group announced that it had experienced a cyber security incident, the response to which included pro-actively shutting down certain IT systems and applications used by the business. Key systems were brought back online securely, in a phased manner and in line with our plan. Production at all of our manufacturing facilities continued to operate throughout this period, though we experienced some shipping delays as a result of this incident.

We believe that our existing information technology control environment is appropriately robust and consistent with industry standards. However, we are reviewing our information technology roadmap and accelerating planned IT investments to further improve the effectiveness of our information security. We do not believe that our growth investment program has been impacted by this incident. The Group notified relevant authorities in relation to the exfiltration and dissemination of data which arose in connection with this incident. We do not expect further material costs to arise from the incident.

During the year ended December 31, 2021, the Group recognized $63 million of costs related to this incident, including $34 million of exceptional costs. AMP incurred $31 million of the total Group costs, including $5 million exceptional related costs, due to this incident, which the Company indemnified in full by December 31, 2021, pursuant to a letter agreement with AMP, dated May 21, 2021, under which we agreed to indemnify, defend and hold harmless AMP, its subsidiaries and their respective successors from and against any and all losses that were incurred prior to December 31, 2021, resulting from this cyber security incident. In accordance with our insurance recoverable accounting policy, the Group recognized an insurance recoverable of $35 million at December 31, 2021, being $58 million in relation to costs deemed virtually certain to be recovered based on the demonstratable entitlement to such recovery, net of $23 million of insurance proceeds received. The remaining $35 million was received in January 2022.

Ardagh Metal Packaging

Ardagh Metal Packaging 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 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 metal packaging business.

AMP'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 AMP's 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. AMP's variable costs have typically constituted approximately 75% and fixed costs approximately 25% of the total cost of sales for its 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 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.

Financial Performance Review

Bridge of 2020 to 2021 Revenue and Adjusted EBITDA

Three months ended December 31, 2021

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 2020	**398**	**495**	**416**	**394**	**1,703**
Organic	62	137	61	30	290
FX translation	(5)	—	(1)	—	(6)
Revenue 2021	**455**	**632**	**476**	**424**	**1,987**

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 2020	**52**	**88**	**92**	**49**	**281**
Organic	3	23	(14)	(25)	(13)
FX translation	(1)	—	—	—	(1)
Adjusted EBITDA 2021	**54**	**111**	**78**	**24**	**267**
AMP indemnification net of insurance recoverable					17
Adjusted EBITDA 2021					**284**
2021 margin %	**11.9%**	**17.6%**	**16.4%**	**5.7%**	**14.3%**
2020 margin %	**13.1%**	**17.8%**	**22.1%**	**12.4%**	**16.5%**

Revenue

Ardagh Metal Packaging Europe. Revenue of $455 million increased by 14% in the fourth quarter, compared with the same period last year. On a constant currency basis, revenue increased by 16%, principally due to favorable volume/mix effects and the pass through of higher input costs.

Ardagh Metal Packaging Americas. Fourth quarter revenue increased by 28% to $632 million, compared with the same period last year, principally reflecting favorable volume/mix effects and the pass through of higher input costs.

Ardagh Glass Packaging Europe. Revenue increased by $60 million, or 14%, to $476 million in the quarter ended December 31, 2021, compared with $416 million in the quarter ended December 31, 2020. Excluding unfavorable foreign currency translation effects of $1 million, revenue increased by $61 million,or 15%, mainly driven by favorable volume/mix effects during the quarter.

Ardagh Glass Packaging North America. Revenue increased by $30 million, or 8%, to $424 million in the quarter ended December 31, 2021, compared with $394 million in the quarter ended December 31, 2020. The increase in revenue reflected favorable volume/mix effects of 5%, and the pass through of higher input costs.

See *Operating and Financial Review —Business Drivers*.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA for the quarter of $54 million increased by $2 million, or 4%, at actual exchange rates, and by 6% at constant currency, compared with the same period last year. The increase in Adjusted EBITDA was principally due to a strong volume performance, partly offset by input cost inflation.

Ardagh Metal Packaging Americas. Adjusted EBITDA for the quarter of $111 million increased by 26%, compared with $88 million in the same period last year, due to favorable volume/mix effects, which includes an impact of the Group's growth investment program, and strong cost management.

Ardagh Glass Packaging Europe. Adjusted EBITDA decreased by $14 million, or 15%, to $78 million in the quarter ended December 31, 2021, compared with $92 million in the quarter ended December 31, 2020. Adjusted EBITDA decreased primarily due to higher input costs, notably energy, partly offset by favorable volume/mix effects which includes an impact of the Group's growth investment program, as well as operating cost savings.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $25 million, or 51%, to $24 million in the quarter ended December 31, 2021, compared with $49 million in the quarter ended December 31, 2020. The decrease in Adjusted EBITDA was driven by increased operating costs, including higher freight and energy costs, partly offset by increased volumes.

Year ended December 31, 2021

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 2020	**1,599**	**1,852**	**1,640**	**1,640**	**6,731**
Organic	159	365	58	98	680
FX translation	80	—	86	—	166
Revenue 2021	**1,838**	**2,217**	**1,784**	**1,738**	**7,577**

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 2020	**249**	**296**	**369**	**241**	**1,155**
Organic	19	85	5	(51)	58
FX translation	13	—	19	—	32
Adjusted EBITDA 2021	**281**	**381**	**393**	**190**	**1,245**
2021 margin %	**15.3%**	**17.2%**	**22.0%**	**10.9%**	**16.4%**
2020 margin %	**15.6%**	**16.0%**	**22.5%**	**14.7%**	**17.2%**

Revenue

Ardagh Metal Packaging Europe. Revenue increased by $239 million, or 15%, to $1,838 million in the year ended December 31, 2021, compared with $1,599 million in the year ended December 31, 2020. On a constant currency basis, the increase in revenue of 9%, principally reflects favorable volume/mix effects of 4% and the pass through of higher input costs.

Ardagh Metal Packaging Americas. Revenue increased by $365 million, or 20%, to $2,217 million in the year ended December 31, 2021, compared with $1,852 million in the year ended December 31, 2020. Revenue growth reflected favorable volume/mix effects of 7%, and the pass through of higher input costs.

Ardagh Glass Packaging Europe. Revenue increased by $144 million, or 9%, to $1,784 million in the year ended December 31, 2021, compared with $1,640 million in the year ended December 31, 2020. Excluding favorable foreign currency translation effects of $86 million, revenue increased by $58 million, mainly driven by favorable volume/mix effects.

Ardagh Glass Packaging North America. Revenue increased by $98 million, or 6%, to $1,738 million in the year ended December 31, 2021, compared with $1,640 million in the year ended December 31, 2020. The increase in revenue principally reflected favorable volume/mix effects of 5%, and the pass through of higher input costs.

See *Operating and Financial Review —Business Drivers*.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA increased by $32 million, or 13%, to $281 million in the year ended December 31, 2021, compared with $249 million in the year ended December 31, 2020. Excluding favorable foreign currency translation effects of $13 million, the increase in Adjusted EBITDA of 7% reflected favorable volume/mix effects, which included a contribution from the Group's growth investment program, as well as operating cost savings.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $85 million, or 29%, to $381 million in the year ended December 31, 2021, compared with $296 million in the year ended December 31, 2020. Adjusted EBITDA growth was mainly driven by favorable volume/mix effects, including a positive impact from the Group's growth investment program.

Ardagh Glass Packaging Europe. Adjusted EBITDA increased by $24 million, or 7%, to $393 million in the year ended December 31, 2021, compared with $369 million in the year ended December 31, 2020. Excluding favorable foreign currency translation effects of $19 million, Adjusted EBITDA increased by $5 million. This increase reflected favorable volume/mix effects, including an impact of the Group's growth investment program and operating cost savings, including as a result of lower production downtime than in 2020, partly offset by increased inputs, in particular for energy.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $51 million, or 21%, to $190 million in the year ended December 31, 2021, compared with $241 million in the year ended December 31, 2020. The decrease in Adjusted EBITDA was driven by increased operating costs and input costs, including freight and energy, partly offset by increased volumes.

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 Group's Global Asset Based Loan Facility.

The following table outlines our principal financing arrangements as of December 31, 2021.

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 Ardagh Metal Packaging S.A. and its subsidiaries as referred to in note 1- General Information of the audited consolidated financial statements.

On March 12, 2021, the Group, in connection with the Business Combination, issued €450 million 2.000% Senior Secured Notes due 2028, $600 million 3.250% Senior Secured Notes due 2028, €500 million 3.000% Senior Notes due 2029 and $1,050 million 4.000% Senior Notes due 2029. Details related to the transaction and use of proceeds from this issuance are outlined in note 1 – General information of the audited consolidated financial statements.

On August 15, 2021, the Group redeemed in full the remaining outstanding $800 million 6.000% Senior Notes due 2025 and paid applicable redemption premiums and accrued interest.

Lease obligations at December 31, 2021 of $440 million (December 31, 2020: $366 million), primarily reflects $202 million of new lease liabilities, offset by $128 million of principal repayments and foreign currency movements in the year ended December 31, 2021.

At December 31, 2021 the Group had $792 million available under the Global Asset Based Loan Facilities. On April 1, 2021, the Group reduced the size of its Global Asset Based Loan Facility from $700 million to $500 million in connection with the designation of the AMP Entities as unrestricted subsidiaries. On August 6, 2021, AMP and certain of its subsidiaries entered into a Global Asset Based Loan Facility in the amount of $300 million. The amount increased to $325 million on September 29, 2021. The Group's $500 million Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.

The following table outlines the minimum repayments the Group is obliged to make in the twelve months ending December 31, 2021, 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 December 31, 2022
		(in millions)			(in $ millions)
Lease obligations	Various	—		Amortizing	99
Other borrowings/credit lines	Various	—	Rolling	Amortizing	15
					114

The Group generates substantial cash flow from its operations and had $2,909 million in cash, cash equivalents and restricted cash as of December 31, 2021, as well as available but undrawn liquidity of $793 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.

The Group believes it has adequate liquidity to satisfy its cash needs for at least the next 12 months. In the year ended December 31, 2021, the Group reported operating profit of $499 million, cash generated from operations of $959 million and generated Adjusted EBITDA of $1,245 million.

Receivables Factoring and Related Programs

The Group participates in several uncommitted accounts receivable factoring and related programs with various financial institutions for certain receivables, accounted for as true sales of receivables, without recourse to the Group. Receivables of $554 million were sold under these programs at December 31, 2021 (December 31, 2020: $440 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.

Footnotes to the Selected Financial Information

(1) Adjusted EBITDA consists of profit/(loss) for the year 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 Income Statement as referred to in note 4- Exceptional items of the audited consolidated financial statements.

(3) Includes exceptional finance income and expense.

(4) 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 annual report.

(5) 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.

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

(7) 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.

(8) 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 reported Adjusted EBITDA for the year ended December 31, 2021 of $1,245 million. Net debt to Adjusted EBITDA ratio at December 31, 2020 of 4.9x, is based on net debt at December 31, 2020 of $5,699 million and Adjusted EBITDA for the year ended December 31, 2020 of $1,155 million.

(9) Net interest expense is as set out in note 5 to the consolidated financial statements.

(10) 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 Statement of Cash Flows.

Risk Factors

Risk Factors

Risks Relating to Our Business

Our customers principally sell to consumers of beverages & food products. If economic conditions affect consumer demand, our customers may be affected and so reduce the demand for our products. Additionally, the global credit, financial and economic environment could have a material adverse effect on our business, financial position, liquidity and results of operations.

Demand for our packaging depends on demand for the products that use our packaging, which is primarily consumer driven. General economic conditions may adversely impact consumer confidence resulting in reduced spending on our customers' products and, thereby, reduced or postponed demand for our products.

Adverse economic conditions may also lead to more limited availability of credit, which may have a negative impact on the financial condition, particularly on the purchasing ability, of some of our customers and distributors and may also result in requests for extended payment terms, and result in credit losses, insolvencies and diminished sales channels available to us. Our suppliers may have difficulties obtaining necessary credit, which could jeopardize their ability to provide timely deliveries of raw materials and other essentials to us. Adverse economic conditions may also lead to suppliers requesting credit support or otherwise reducing credit, which may have a negative effect on our cash flows and working capital.

Volatility in exchange rates may also increase the costs of our products that we may not be able to pass on to our customers; impair the purchasing power of our customers in different markets; result in significant competitive benefit to certain of our competitors that incur a material part of their costs in different currencies than we do; hamper our pricing; and increase our hedging costs and limit our ability to hedge our exchange rate exposure.

Changes in global economic conditions may reduce our ability to forecast developments in our industry and plan our operations and costs accordingly, resulting in operational inefficiencies. Negative developments in our business, results of operations and financial condition due to changes in global economic conditions or other factors could cause ratings agencies to lower the credit ratings, or ratings outlook, of our short- and long-term debt and, consequently, impair our ability to raise new financing or refinance our existing borrowings, as applicable, or increase our costs of issuing any new debt instruments. Additionally, a significant weakening of our financial position or operating results due to changes in global economic conditions or other factors could result in noncompliance with our debt covenants and reduced cash flow from our operations, which, in turn, could adversely affect our ability to execute our long-term strategy to continue to expand our packaging activities through investing in existing and new facilities to increase our capacity in line with our 2022-2025 growth investment program, or, in the future, by selectively evaluating and opportunistically acquiring other businesses.

Furthermore, the economic outlook could be adversely affected by the risk that one or more current eurozone countries could leave the European Monetary Union, or the euro as the single currency of the eurozone could cease to exist. Either of these developments, or the perception that either of these developments are likely to occur, could have a material adverse effect on the economic development of the affected countries and could lead to severe economic recession or depression, and a general anticipation that such risks will materialize in the future could jeopardize the stability of financial markets or the overall financial and monetary system. This, in turn, would have a material adverse effect on our business, financial position, liquidity and results of operations. See below *"The United Kingdom's withdrawal from the European Union may have a negative effect on our financial condition and results of operations."*

We face competition from other metal and glass packaging producers, as well as from manufacturers of alternative forms of packaging.

Ardagh Metal Packaging

The sectors in which Ardagh Metal Packaging operates are relatively mature and competitive. Prices for the products manufactured by our metal packaging business are primarily driven by raw material costs. Competition in the market is based on price, as well as on innovation, sustainability, design, quality and service. Increases in productivity, combined with potential surplus capacity from planned new investment in the industry, could result in pricing pressures in the future. Our principal competitors include Ball Corporation, Crown Holdings and Can Pack. Some of our competitors may have greater financial, technical or marketing resources or may, in the future, have excess capacity. To the extent that any one or more of our competitors become more successful with respect to any key competitive factor, our ability to attract and retain customers could be materially and adversely affected, which could have a material adverse effect on our business. Moreover, changes in the global economic environment could result in reductions in demand for our products in certain instances, which could increase competitive pressures and, in turn, have a material adverse effect on our business.

Ardagh Metal Packaging is subject to substantial competition from producers of packaging made from plastic, glass, carton and composites, for example, PET bottles for carbonated soft drinks. Changes in consumer preferences in terms of packaging materials, style and product presentation can significantly influence sales. An increase in Ardagh Metal Packaging's costs of production or a decrease in the costs of, or an increase in consumer demand for alternative packaging could have a material adverse effect on our business, financial condition and results of operations.

Ardagh Glass Packaging

Ardagh Glass Packaging is subject to intense competition from other glass packaging producers, as well as from producers of other forms of rigid and non-rigid packaging, against whom we compete on the basis of price, product characteristics, quality, customer service, reliability of delivery and the overall attractiveness of our offering. Advantages or disadvantages in any of these competitive factors may be sufficient to cause customers to consider changing suppliers or to use an alternative form of packaging. In some instances, we also face the threat of vertical integration by our customers into the manufacture of their own packaging materials.

Our principal competitors in glass packaging include Anchor Glass and O-I Glass in North America and O-I Glass, Verallia and Vidrala in Europe. Additionally, we face competition from firms that carry out specific export operations at low prices when their domestic markets are at overcapacity, or when foreign exchange rates or economic conditions (particularly transport costs) allow this, such as has been seen with the importation of glass containers into the United States from lower cost countries. Despite the generally regional nature of glass packaging markets, these export operations could have a material negative impact on our business, financial condition and results of operations.

In addition to competing with other large, well-established manufacturers in the glass packaging industry, we also compete with manufacturers of other forms of rigid packaging, principally plastic packaging and aluminum cans, on the basis of quality, price, service and consumer preference. We also compete with manufacturers of non-rigid packaging alternatives, including flexible pouches and aseptic cartons, particularly in serving the packaging needs of non-alcoholic beverage customers, including juice customers and food customers. We believe that the use of glass packaging for alcoholic and non-alcoholic beverages is subject to consumer taste. In addition, the association of glass packaging with premium items in certain product categories exposes glass packaging to economic variations. Therefore, if economic conditions are poor, we believe that consumers may be less likely to prefer glass packaging over other forms of packaging. We cannot ensure that our products will continue to be preferred by end consumers and that consumer preference will not shift from glass packaging to alternative packaging. A material shift in consumer preference away from glass packaging, or competitive pressures from our various competitors, could result in a decline in sales volume, or pricing pressure, that would have a material adverse effect on our business, financial condition and results of operations. Furthermore, new threats from container and production innovations in all forms of packaging could disadvantage our existing business. If we are unable to respond to competitive technological advances, our future performance could be materially adversely affected.

Certain customers meet some of their metal packaging and glass packaging requirements through self-manufacturing, reducing their external purchases of packaging. For example, AB InBev manufactures metal packaging through its Metal Container Corporation subsidiary in the United States, as well as directly in Brazil. In glass packaging, companies which satisfy some of their requirements through self-manufacture include AB InBev and Gallo, which manufacture glass packaging in the United States, and AB InBev and Constellation Brands, which produce glass packaging in Mexico. The potential vertical integration of our customers could introduce new production capacity in the market, which may create an imbalance between metal packaging and glass packaging supply and demand. The growth of vertically integrated operations could have a material negative impact on our future performance.

An increase in metal beverage can or glass container manufacturing capacity, including that of our competitors, without a corresponding increase in demand for metal beverage can packaging or glass packaging could cause prices to decline, which could have a material adverse effect on our business, financial condition and results of operations.

The profitability of metal packaging or glass packaging companies is heavily influenced by the supply of, and demand for, metal or glass packaging. In response to increased demand for metal beverage cans, we and others, including all our major competitors, have announced significant medium-term metal beverage can capacity expansions in the United States, Europe and Brazil.

We cannot assure you that metal packaging can or glass container manufacturing capacity in any of our markets, including the capacity of our competitors, will not increase further in the future, nor can we assure you that demand for metal beverage or glass packaging will continue to meet or exceed supply. While the metal beverage can market is currently experiencing demand that exceeds supply, if in the future metal beverage can manufacturing capacity or glass container manufacturing capacity increases and there is no corresponding increase in demand, the prices we receive for our products could decline, which could have a material adverse effect on our business, financial condition and results of operations.

We are implementing a significant multi-year growth investment program to increase our capacity. Failure to implement this program successfully may have a material impact on our business and results of operations.

In response to the positive forecast demand outlook for our metal and glass packaging we are embarked on a multi-year growth investment program involving a spend of over $2.0 billion. Over 90% of this investment is in our Ardagh Metal Packaging business, with the balance in Ardagh Glass Packaging. This program principally involves capacity expansion initiatives, including the installation of multiple new lines, line speed-ups, brownfield and greenfield development and furnace expansion, as well as additional investments in automation, digitalization and other efficiency measures.

Successful implementation of this complex and extensive program will require the availability of skilled employees, project managers and consultants with the experience and know-how to ensure successful commissioning of capacity on time and budget and in line with our customers' requirements. It will also require the availability of specialist equipment, tooling, components, materials, related services and the required permits.

Failure to successfully complete these investment projects, including through a lack of suitably-skilled personnel, or through a lack of available equipment and materials on expected terms, or other delays or disruptions would impact our capacity expansion and other efficiency initiatives. This could adversely impact our ability to serve existing and new customers, thereby damaging our customer relationships, or could negatively affect our cost base and could have a material adverse effect on our business, financial condition and results of operations.

As our customers are concentrated, our business could be adversely affected if we were unable to maintain relationships with our largest customers.

Ardagh Metal Packaging's ten largest customers accounted for approximately 58% of its 2021 consolidated revenues. Ardagh Glass Packaging's ten largest customers accounted for approximately 40% of its 2021 revenues. Our ten largest customers accounted for approximately 44% of our 2021 revenues.

We believe our relationships with these customers are good, but there can be no assurance that we will be able to maintain these relationships. For the Group, approximately three quarters of our sales agreements for the year ended December 31, 2021, were under multi-year supply agreements of varying terms of two to ten years. Although these arrangements have provided, and we expect they will continue to provide, the basis for long-term partnerships with our customers, there can be no assurance that our customers will not cease purchasing our products. These arrangements, unless they are renewed, expire in accordance with their respective terms and are terminable under certain circumstances, such as our failure to meet quality, volume or other contractual commitments. If our customers unexpectedly reduce the amount of glass packaging and/or metal packaging they purchase from us, or cease purchasing our glass packaging and/or metal packaging altogether, our revenues could decrease and our inventory levels could increase, both of which could have a material adverse effect on our business, financial condition and results of operations.

In addition, while we believe that the arrangements that we have with our customers will be renewed, there can be no assurance that such arrangements will be renewed upon their expiration or that the terms of any renewal will be as favorable to us as the terms of the current arrangements. There is also the risk that our customers may shift their filling operations to locations in which we do not operate. The loss of one or more of these customers, a significant reduction in sales to these customers or a significant change in the commercial terms of our relationships with these customers could have a material adverse effect on our business.

Further consolidation of our customer base may intensify pricing pressures or result in the loss of customers, either of which could have a material adverse effect on our business, financial condition and results of operations.

Some of our largest customers have previously acquired companies with similar or complementary product lines. For example, in 2015 Kraft Foods Group merged with H.J. Heinz Holding Corporation, 2016 AB InBev acquired SABMiller and in 2017 Heineken acquired Brasil Kirin. Such consolidation has increased the concentration of our sales with our largest customers and may continue in the future, potentially accompanied by pressure from customers for lower prices. Increased pricing pressures from our customers may have a material adverse effect on our business, financial condition and results of operations. In addition, this consolidation may lead manufacturers to rely on a reduced number of suppliers. If, following the combination of one of our customers with another company, a competitor was to be the main supplier to the consolidated companies, this could have a material adverse effect on our business, financial condition or results of operations.

Our profitability could be affected by varied seasonal demands.

Demand for Ardagh Metal Packaging's and Ardagh Glass Packaging's products is seasonal. Ardagh Metal Packaging's sales in Europe and North America are typically, based on historical trends, greater in the second and third quarters of the year, with generally lower sales in the first and fourth quarters. In Brazil, sales are typically strongest in the first and fourth quarters. Unseasonably cool weather during the summer months in each of these regions can reduce demand for certain beverages packaged in metal beverage cans, such as those manufactured by us.

Demand for our glass packaging products is typically, based on historical trends, strongest during the summer months and in the period prior to the holidays in December because of the seasonal nature of the consumption of beer and other beverages. Unseasonably cool weather during the summer months can reduce demand for certain beverages packaged in our glass packaging. Similarly, weather conditions can reduce crop yields and adversely affect customer demand for glass packaging for fruit and vegetable end-use categories, which could have a material adverse effect on our business, financial condition and results of operations.

We generally schedule shutdowns of our furnaces for rebuilding and repairs of machinery in the first quarter in Europe and around year-end and the first quarter in North America. If demand for glass packaging should unexpectedly rise during such a shutdown, we would not have the ability to fulfill such demand and may lose potential revenues. These shutdowns and seasonal sales patterns could have a material adverse effect on profitability during the first quarter.

Additionally, climate change and the increasing frequency of severe weather events could adversely affect demand for our products, our supply chain and the costs of inputs to our production and delivery of products in different regions around the world. Such severe weather events could have a material adverse effect on our business, financial condition or results of operations. Refer to "*Climate change or legal, regulatory or other measures to address climate change or related concerns, may adversely affect our ability to conduct our business, including the availability and cost of resources required for our production processes.*"

Our profitability could be affected by the availability and cost of raw materials, including as a result of changes in tariffs and duties.

The raw materials that we use have historically been available in adequate supply from multiple sources. For certain raw materials, however, there may be temporary shortages due to transportation, production delays impacting supplier plant output, pandemic outbreaks, including COVID-19, or other factors. In such an event, no assurance can be given that we would be able to secure our raw materials from sources other than our current suppliers on terms as favorable as our current terms, or at all. Any such shortages, as well as significant increases in the cost of any of the principal raw materials that we use, including such shortages or material increases resulting from the introduction of tariffs, such as the introduction of tariffs of 10% on aluminum imports into the United States in 2018, which remain in effect, could have a material adverse effect on our business, financial condition and results of operations. Further tariffs, sanctions, duties, other trade actions or increases in our transportation costs, could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the relative price of oil and its by-products may impact our business, by affecting transport, coatings, lacquer and ink costs. Additionally, certain energy sources are vital to our operations, and future increases in energy costs could result in a significant increase in our operating costs, which could, if we are not able to recover these costs, have a material adverse effect on our business, financial condition and results of operations.

The primary raw materials that we use for Ardagh Metal Packaging are aluminum ingot and, to a much lesser extent, steel. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollar, fluctuations in the U.S. dollar/euro rate also affect the euro cost of aluminum ingot. Our business is exposed to both the availability of aluminum and the volatility of aluminum prices, including associated premia. While raw materials are generally available from a range of suppliers, they are subject to fluctuations in price and availability based on a number of factors, including general economic conditions, commodity price fluctuations (with respect to aluminum on the London Metal Exchange), the demand by other industries, such as automotive, aerospace and construction, for the same raw materials and the availability of complementary and substitute materials. In particular, the level of investment in beverage can capacity expansion by us and other beverage can producers will require a significant increase in can sheet production by the aluminum suppliers, which will in turn require significant investment and capital expenditures. Failure by the suppliers to increase capacity could cause supply shortages and significant increases in the cost of these raw materials, notably aluminum. In addition, adverse economic or financial changes, industrial disputes or pandemic-related disruptions could impact our suppliers, thereby causing supply shortages or increasing costs for our business.

We may not be able to pass on all or substantially all raw material price increases. In addition, we may not be able to hedge successfully against raw material cost increases. Furthermore, aluminum prices are subject to considerable volatility in price and demand. While in the past sufficient quantities of aluminum have been generally available for purchase, these quantities may not be available in the future, and, even if available, we may not be able to continue to purchase them at current prices. Further increases in the cost of these raw materials could adversely affect our operating margins and cash flows.

The supplier industries from which Ardagh Metal Packaging receives its raw materials are relatively concentrated, and this concentration can impact raw material costs. Over the last ten years, the number of major aluminum and steel suppliers has decreased and there remains the possibility of further consolidation. Further consolidation could hinder our ability to obtain adequate supplies of these raw materials and could lead to higher prices for aluminum and steel.

Ardagh Glass Packaging also consumes significant amounts of raw materials in the manufacturing process, in particular, glass sand, limestone and soda ash (natural or synthetic). Crushed recycled glass ("cullet") is also a key raw material that is used in varying percentages, depending on the type of glass manufactured and the availability of cullet in a particular market. The combination of higher energy prices and a tight supply market has resulted in a historic increase in price for soda ash. Further increases in demand without corresponding increase in supply may put pressure not only on soda ash, but also on some other raw materials. The price, quality and availability of cullet varies widely from one region to another and is dependent on a number of factors, including glass collection and its effectiveness and the distance of our production sites to population centers where the waste glass is generated. The demand for secondary materials in general is increasing due to more and more ambitious CO2 legislation and markets pushing for more recycled content to comply to consumer demands and therefore cullet is becoming more scarce. Any significant increase in the price of the raw materials we use to manufacture glass could have a material negative impact on our business, financial condition and results of operations.

The failure to obtain adequate supplies of raw materials or increases in the costs of these products could have a material adverse effect on our business, financial condition and results of operations.

Currency, interest rate fluctuations and commodity prices may have a material impact on our business.

The Company's functional currency is the euro and we present our financial information in U.S. dollar. Insofar as possible, we actively manage currency exposures through the deployment of assets and liabilities throughout the Group and, when necessary and economically justified, enter into currency hedging arrangements to manage our exposure to currency fluctuations by hedging against rate changes with respect to our functional currency, the euro. However, we may not be successful in limiting such exposure, which could adversely affect our business, financial condition and results of operations. In addition, our presented results may be impacted as a result of fluctuations in the U.S. dollar exchange rate versus the euro.

Ardagh Metal Packaging has production facilities in 9 different countries worldwide. It also sells products to, and obtains raw materials from, entities located in these and different regions and countries globally. As a consequence, a significant portion of consolidated revenue, costs, assets and liabilities of Ardagh Metal Packaging are denominated in currencies other than the euro, particularly the U.S. dollar, the British pound and the Brazilian real. The exchange rates between the currencies which we are exposed to, such as the euro, the U.S. dollar and the British pound, have fluctuated significantly in the past and may continue to do so in the future.

In Ardagh Glass Packaging, a substantial portion of the assets, liabilities, revenues and expenses are denominated in U.S. dollars, British pounds, Swedish krona, Danish krone and Polish zloty. Fluctuations in the value of these currencies with respect to the euro have had, and may continue to have, a significant impact on our financial condition and results of operations.

For the year ended December 31, 2021, 73% of the Group’s revenues were from countries with currencies other than the euro.

Our policy is, where practical, to match net investments in foreign currencies with borrowings in the same currency. The debt and interest payments relating to our Swedish, Danish and Polish operations are all denominated in euro. Fluctuations in the value of these currencies with respect to the euro may have a significant impact on our financial condition and results of operations.

In addition to currency translation risk, we are subject to currency transaction risk. Changes in exchange rates can affect our ability to purchase raw materials and sell products at profitable prices, reduce the value of our assets and revenues, and increase liabilities and costs.

We are also exposed to interest rate risk. Fluctuations in interest rates may affect our interest expense on existing debt and the cost of new financing. We occasionally use CCIRS to manage this type of risk, but sustained increases in interest rates could nevertheless materially adversely affect our business, financial condition and results of operations.

In addition, we are exposed to movements in the price of electricity and natural gas. We try to ensure that natural gas prices are fixed for future periods but do not always do so because the future prices can be far in excess of the spot price.

We are exposed to changes in prices of our main raw materials, primarily aluminum and energy. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/euro rate also affect the euro cost of aluminum ingot. The price and foreign currency risk on the aluminum purchases are hedged by entering into swaps under which we pay fixed euro and U.S. dollar prices, respectively. Furthermore, the relative price of oil and its by-products may materially impact our business, affecting our transport, lacquer and ink costs.

We use derivative agreements to manage some of the material cost risk. The use of derivative contracts to manage our risk is dependent on robust hedging procedures. Increasing raw material costs over time has the potential, if we are unable to pass on price increases, to reduce sales volume and could therefore have a significant impact on our financial condition. We are also exposed to possible interruptions of supply of aluminum or other raw materials and any inability to purchase raw materials could negatively impact our operations.

As a result of the volatility of gas and electricity prices, we have developed an active hedging strategy to fix a significant proportion of our energy costs through contractual arrangements directly with our suppliers. Our policy is to purchase gas and electricity by entering into forward price-fixing arrangements with suppliers for the majority of our anticipated requirements for the year ahead. Such contracts are used exclusively to obtain delivery of our anticipated energy supplies. We do not net settle, nor do we sell within a short period of time after taking delivery. We avail of the own use exemption and, therefore, these contracts are treated as executory contracts. We typically build up these contractual positions in tranches of approximately 10% of the anticipated volumes. Any gas and electricity which is not purchased under forward price-fixing arrangements is purchased under index tracking contracts or at spot prices. To the extent this hedging strategy is not effective, it could negatively impact on our costs.

For a further discussion of these matters and the measures we have taken to seek to protect our business against these risks, see "*Operating and Financial Review*".

It is difficult to compare our results of operations from period to period.

It is difficult to make period-to-period comparisons of our results of operations. Our business has been created as a result of a series of acquisitions and other corporate transactions over many years. These acquisitions have had a positive effect on our results of operations in periods following their completion and integration. Furthermore, our sales and, therefore, our net operating income are variable within the fiscal year due to the seasonality described above. Thus, a period-to-period comparison of our results of operations may not be meaningful.

Our inability to fully pass-through input costs may have an adverse effect on our financial condition and results of operations.

A significant number of our sales contracts with customers include provisions enabling us to pass-through increases and reductions in certain input costs, which help us deliver consistent margins, although margin percentages may fluctuate as a result. However, there is no assurance that the Company will be in a position to fully recover increased input costs from all of our customers.

Interrupted energy supplies and higher energy costs may have a material adverse effect on our business.

We use natural gas, electrical power, oil, oxygen and, in limited circumstances, liquefied petroleum gas to manufacture our products. Energy sources are vital to our operations and we rely on a continuous power supply to effectively conduct our business. Energy prices are subject to considerable volatility. We seek to mitigate the inherent risk in energy price fluctuations through a combination of contractual customer pass-through agreements, fixed-price procurement contracts, index tracking procurement contracts and hedging. We are not able to predict to what extent energy prices will vary in the future. Future increases in energy costs could result in a significant increase in operating costs, which could, if we are not able to recover these costs increases from our customers through selling price increases and our hedging strategy, have a material adverse effect on our business, financial condition and results of operations. Moreover, energy supplies are subject to various risks, including extreme weather events. Any interruption to our energy supplies, whether as a result of extreme weather events or otherwise, could have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing facilities are subject to operating hazards.

Our manufacturing processes include cutting, coating and shaping metal into containers, as well as heating raw materials to extremely high temperatures to make glass, which we then form into glass containers. These processes, which are conducted at high speeds and involve operating heavy machinery and equipment, entail risks and hazards, including industrial accidents, leaks and ruptures, explosions, fires, mechanical failures and environmental hazards, such as spills, storage tank leaks, discharges or releases of hot glass or toxic or hazardous substances and gases. These hazards may cause unplanned business interruptions, unscheduled downtime, transportation interruptions, personal injury and loss of life, severe damage to or the destruction of property and equipment, environmental contamination and other environmental damage, civil, criminal and administrative sanctions and liabilities, and third-party claims, any of which could have a material adverse effect on our business, financial condition and results of operations.

We are involved in a manufacturing process with, in Ardagh Glass Packaging in particular, a high degree of fixed costs. Any interruption in the operations of our manufacturing facilities, including their supply chain, may adversely affect our business, financial condition and results of operations.

All of our manufacturing activities take place at facilities that we own or that we lease under long-term leases. We conduct regular maintenance on all of our operating equipment. However, due to the extreme operating conditions inherent in some of our manufacturing processes, we cannot assure you that we will not incur unplanned business interruptions due to furnace or equipment breakdowns or similar manufacturing problems or disruption to our IT and other automated processes, including through cyber security incidents, such as the recent cyber security incident that was discovered by the Group in May 2021 and is described in the section entitled “Operating and Financial Review” or that such interruptions will not have an adverse impact on our business, financial condition and results of operations. In such a scenario, it is very unlikely that alternative production capacity would be available in the future. A disruption in such circumstances could have a material adverse effect on our business, financial condition and results of operations.

To the extent that we experience any furnace breakdowns, equipment failures or similar manufacturing problems, we will be required to make unplanned capital expenditures even though we may not have available resources at such time and we may not be able to meet customer demand, which would result in a loss of revenues. As a result, our liquidity may be impaired as a result of such expenditures and loss of revenues or the incurrence of unplanned capital expenditures.

A mechanical failure or disruption affecting any major operating line may result in a disruption of our ability to supply customers. The potential impact of any disruption would depend on the nature and extent of the damage caused to such facility. Further, our facilities in geographically vulnerable areas, including parts of the United States and Italy, may be disrupted by the occurrence of natural phenomena, such as earthquakes, hurricanes, floods and wildfires.

Our glass packaging business requires relatively high levels of maintenance capital expenditures, which we may be unable to fund.

Our glass packaging business requires relatively high levels of maintenance capital expenditures. We may not be able to make such capital expenditures if we do not generate sufficient cash flow from operations, have funds available for borrowing under our existing credit facilities to cover these capital expenditure requirements or if we were restricted from incurring additional debt to cover such expenditures or as a result of a combination of these factors. If we are unable to meet our capital expenditure plans, we may not be able to maintain our manufacturing capacity, which may negatively impact our competitive position and ultimately, our revenues and profitability. If we are unable to meet our maintenance capital expenditures, our manufacturing capacity may decrease, which may have a material adverse effect on our profitability.

Our expansion strategy may adversely affect our business.

We aim over the longer term to continue to expand our packaging activities. In addition to our organic expansion and capital expenditure on existing and new facilities, such future expansion may require us to capitalize on strategic opportunities including the acquisition of existing businesses. As we believe that such businesses may be acquired with modest equity and relatively high levels of financial leverage given the cash generating capabilities of our business streams, our leverage and interest expense may increase in the future in connection with any acquisitions. Additionally, if we incur additional debt, our liquidity and financial stability could be impaired as a result of using a significant portion of available cash or borrowing capacity to finance an acquisition. Accordingly, such future expansion could have an adverse effect on our business, financial condition and results of operations.

There is no certainty that any businesses we may acquire in the future will be effectively integrated. If we cannot successfully integrate acquired businesses within a reasonable time frame, it may not be able to realize the potential benefits anticipated from those acquisitions. Our failure to successfully integrate such businesses and the diversion of management attention and other resources from its existing operations could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we may not be able to identify suitable acquisition candidates consistent with our strategy, and we may not be able to fund future acquisitions because of limitations under our indebtedness or otherwise, including due to the limited availability of funds if the financial markets are impaired.

We may not be able to integrate any future acquisitions effectively.

Even though we have acquired businesses in the past, there is no certainty that any businesses we may acquire in the future will be effectively integrated. If we cannot successfully integrate acquired businesses within a reasonable time frame, we may not be able to realize the potential benefits anticipated from those acquisitions. Our failure to successfully integrate such businesses, and the diversion of management attention and other resources from our existing operations, could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, even if we are able to integrate successfully the operations of acquired businesses, we may not be able to realize the cost savings, synergies and revenue enhancements that we anticipate either in the amount or within the time frame that we anticipate, and the costs of achieving these benefits may be higher than, and the timing may differ from, what we expect. Our ability to realize anticipated cost savings and synergies may be affected by a number of factors, including the following:

- the use of more cash or other financial resources on integration and implementation activities than we expect, including restructuring and other exit costs;
- conditions imposed in connection with obtaining required regulatory approvals; and
- increases in acquisition costs and expenses, which may offset the cost savings and other synergies realized from such acquisitions.

To the extent we pursue an acquisition that causes us to incur unexpected costs or that fails to generate expected returns, this could have a material adverse effect on our business, financial condition and results of operations.

A significant write down of goodwill would have a material adverse effect on our financial condition and results of operations.

Goodwill at December 31, 2021 totaled $1.2 billion.

The Group evaluates goodwill annually following approval of the annual budget or whenever indicators suggest that impairment may have occurred. The determination of the recoverable amounts of goodwill requires the use of estimates and assumptions which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As described further in note 8 of the audited consolidated financial statements included in this annual report, the Group recognized an impairment charge of $395 million (before the impact of deferred tax) on goodwill allocated to Ardagh Glass Packaging North America in the year ended December 31, 2021.

If a significant future write down is required, the charge could have a material adverse effect on the Company's financial condition and results of operations.

Our investment in Trivium is accounted as a joint venture using the equity method, which may result in a reduction in the accounting carrying value of the Group's investment should Trivium incur post-tax losses.

The Group holds approximately 42% of the ordinary shares of Trivium. As the Group jointly controls both the financial and operating policy decisions of Trivium, the investment is accounted for as a joint venture under the equity method. The Group's carrying amount of its interest under the equity method, which at December 31, 2021 totaled $0.3 billion, will change as a result of the requirements of the equity method. The equity method results in the Group accounting for its share of the post-tax profit or loss and share of the other comprehensive income of Trivium. As Trivium has a substantial amount of debt and significant debt service obligations, and may incur post tax and other comprehensive losses, the Group's accounting carrying value of its interest may reduce as a result of the application of equity accounting.

We have potential indemnification obligations relating to divestments.

We have previously divested a number of businesses, including, in 2019, the divestment of our Food & Specialty metal packaging business. Pursuant to these agreements, we may be required to provide indemnification to the acquirers for damages resulting from a breach of any representation, warranty or covenants contained therein. To the extent that we are required to make any significant payments under these indemnification provisions, these payments could adversely impact our business, financial condition and results of operations.

Climate change or legal, regulatory or other measures to address climate change or related concerns, may adversely affect our ability to conduct our business, including the availability and cost of resources required for our production processes.

There is a growing concern that carbon dioxide and other greenhouse gases ("GHG") in the atmosphere may have an adverse impact on global temperatures, weather and precipitation patterns and the frequency and severity of extreme weather conditions and natural disasters. The impact of climate change presents immediate and long-term climate risks, or risks of loss arising from climate change, to us and the markets in which we operate, which are expected to increase over time. Climate risks consist of physical risks and transition risks, either of which may adversely affect our ability to conduct our business. The Company's operations could be exposed to physical risks resulting from chronic and acute climate change and extreme weather-related events, such as increased storms, drought, fires, hurricanes, tornadoes or floods, which may directly damage our physical assets (e.g. facilities, materials) or otherwise impact their value or productivity, as well as cause raw material shortages, supply chain interruptions and increase health and safety risks, among other risks. The Company also could be exposed to transition risks resulting from changes in policy, technology and market preference to address climate change, such as carbon price policies, including increased prices for certain fuels, including natural gas and the introduction of a carbon tax, and power generation shifts from fossil fuels to renewable energy, which may lead to changes in the value of assets. Additionally, measures to address climate change through laws and regulations, for example by requiring reductions in emissions of GHGs or the introduction of compliance schemes, could create economic risks and uncertainties for our businesses, by increasing GHG-related costs, the cost of abatement equipment to reduce emissions to comply with legal requirements on GHG emissions or required technological standards, as well as reduced demand for the Group's products, any of which could have a material adverse effect on the Company's financial condition and results of operations.

The glass production process generates significant CO2 emissions, while the vast majority of the Ardagh Metal Packaging business' Scope 3 Emissions arise in the various stages of the manufacture of the aluminum and steel coils that we purchase. In line with our commitment to Science-Based Sustainability Targets, we have a plan to reduce these emissions. There is a risk that if we fail to meet our targets and reduce our emissions, this may result in increased costs for the Group in the form of carbon taxes, and reputational damage around our sustainability commitment.

We are subject to various environmental and other legal requirements and may be subject to new requirements of this kind in the future that could impose substantial costs upon us.

Our operations and properties are subject to extensive laws, ordinances, regulations and other legal requirements relating to the protection of people and the environment. The laws and regulations which may affect our operations include requirements regarding remediation of contaminated soil, groundwater and buildings, water supply and use, natural resources, water discharges, air emissions, waste management, noise pollution, asbestos and other deleterious materials, the generation, storage, handling, transportation and disposal of regulated materials, product safety, food safety, and workplace health and safety. These laws and regulations are also subject to constant review by lawmakers and regulators which may result in further, including more stringent, environmental or health and safety legal requirements. We strive to mitigate risks related to environmental issues, including through the purchase of renewable energy, the adoption of sustainable practices, and by positioning ourselves as a sustainability leader in our industry.

We have incurred, and expect to continue to incur, costs to comply with such legal requirements, and these costs may increase in the future. Demands for more stringent pollution control devices could also result in the need for further capital upgrades to our furnaces and plant operations. Further, in order to comply with air emission restrictions, significant capital investments may be necessary at some sites. We require a variety of permits to conduct our operations, including operating permits such as those required under various U.S. laws, including the federal Clean Air Act, and the EU IED water and trade effluent discharge permits, water abstraction permits and waste permits. We are in the process of applying for, or renewing, permits at a number of our sites. Failure to obtain and maintain the relevant permits, as well as noncompliance with such permits, could have a material adverse effect on our business, financial condition and results of operations.

If we violate or fail to comply with these laws and regulations or our permits, we could be subject to criminal, civil and administrative sanctions and liabilities, including substantial fines and orders, or a partial or total shutdown of our operations, as well as litigation, any of which could have a material adverse effect on our business, financial condition and results of operations. For example, in 2017 we settled alleged violations of hazardous waste regulations governing the reuse of electrostatic precipitator dust at our Madera plant in the United States, which occurred in the period prior to the acquisition in 2014 of VNA. As part of this settlement, we paid a civil penalty of $3.5 million and expect to incur increased dust disposal costs, which we estimate to be about $500,000 annually. We cannot assure you that our reuse of electrostatic precipitator dust at our other glass manufacturing plants will not result in regulatory inquiries or enforcement relating to compliance with hazardous waste regulations.

In order to comply with air emission restrictions, significant capital investments may be necessary at some sites. For example, to comply with U.S. environmental regulations and the demands of the EPA, VNA, which we acquired in 2014, we agreed to make sizable investments to replace or install new electrostatic precipitators and other equipment in order to control the air emissions at certain sites located in the United States. In 2010, prior to the 2014 acquisition of VNA by Ardagh, VNA and the EPA signed a global consent decree pursuant to which VNA has made investments estimated at up to an aggregate of $112 million over a ten-year period, excluding operating costs of the systems installed. In addition, VNA paid a penalty amounting to $2.5 million, excluding interest, pursuant to this consent decree.

We have received notices of violation from the EPA for alleged violations under the Clean Air Act's Prevention of Significant Deterioration, New Source Performance Standards and Title V provisions stemming from past furnace-related projects at our other glass manufacturing facilities unrelated to our acquisition of VNA, including furnace-related projects conducted by third parties who owned the facilities before us. The EPA has sent information requests to a number of our glass manufacturing facilities concerning furnace-related projects, as well as our air pollutant emissions more generally, which could culminate in notices of violation or other enforcement.

In Europe, under the IED and its reference document for "Best Available Techniques" for glass manufacturing plants and metal manufacturing plants with surface treatment using solvents, permitted emissions levels from these plants including ours are substantially reduced periodically. EU member states introduced lower permitted emission levels into national legislation, which could potentially result in stricter limits in the future. These types of changes could require additional investment in our affected operations. There may be GHG compliance or emission control schemes introduced in any jurisdiction on country and local municipality level which include metal and glass packaging which may require additional measures to control the emission of GHG that may have a material adverse effect on our business, financial condition and results of operations. California has implemented a similar program, which results in the need for us to incur potentially significant compliance costs, including for the purchase of offsets against our GHG emissions. There are also some municipalities exploring further regulation to reduce or in some cases eliminate natural gas usage.

Changes to the laws and regulations governing the materials that are used in our manufacturing operations may impact the price of such materials or result in such materials no longer being available, which could have a material adverse effect on our business, financial condition and results of operations. The European Union passed regulations concerning REACH, which place onerous obligations on the manufacturers and importers of substances, preparations and articles containing substances, and which may have a material adverse effect on our business. Furthermore, substances we use may have to be removed from the market (under REACH's authorization and restriction provisions) or need to be substituted for alternative chemicals which may also adversely impact upon our operations.

Sites at which we operate often have a long history of industrial activities and may be, or have been in the past, engaged in activities involving the use of materials and processes that could give rise to contamination and result in potential liability to investigate or remediate, as well as claims for alleged damage to persons, property or natural resources. Liability may be imposed on us an owner, occupier or operator of contaminated facilities. These legal requirements may apply to contamination at sites that we currently or formerly owned, occupied or operated, or that were formerly, owned, occupied or operated by companies we acquired or at sites where we have sent waste offsite for treatment or disposal. Regarding assets acquired by us, we cannot assure you that our due diligence investigations identified or accurately quantified all material environmental matters related to the acquired facilities. Our closure of a site may accelerate the need to investigate and remediate any contamination at the site.

In addition, we may be required to remediate contaminated third-party sites where we have sent waste for disposal. Liability for remediation of these third-party sites may be established without regard to whether the party disposing of the waste was at fault or the disposal activity was legal at the time it was conducted. For example, "Superfund" sites in the United States are the highest priority contaminated sites designated by the federal government as requiring remediation, and costs of their remediation tend to be high. We and a number of other companies have been named as potentially responsible parties to clean up the Lower Duwamish Waterway Superfund Site in Washington, because our Seattle plant is adjacent to the waterway and is alleged to have contributed to its contamination. Whether we will have any liability for investigation and remediation costs at this or any other Superfund site or for costs relating to claims for natural resource damages, and what portion of the costs we must bear, has not been determined.

Changes in product requirements and their enforcement may have a material impact on our operations.

Changes in laws and regulations relating to deposits on, and any limits or restrictions to recycling of, glass or metal packaging could adversely affect our business if implemented on a large scale in the major markets in which we operate. Changes in laws and regulations imposing restrictions on, and conditions for use of, food contact materials or on the use of materials and agents in the production of our products could likewise adversely affect our business. Changes to health and food safety regulations could increase costs and also might have a material adverse effect on revenues if, as a result, the public attitude toward end-products, for which we provide packaging, were substantially affected.

Additionally, the effectiveness of new standards such as the ones related to recycling or deposits on different packaging materials, could result in excess costs or logistical constraints for some of our customers, who could choose to reduce their consumption and limit the use of glass or metal packaging for their products. We could thus be forced to reduce, suspend or even stop the production of certain types of products. The regulatory changes could also affect our prices, margins, investments and activities, particularly if these changes resulted in significant or structural changes in the market for food packaging that might affect the market shares for glass, the volumes produced or production costs.

Environmental concerns could lead U.S., European Union, United Kingdom or Brazilian, bodies to implement other product regulations that are likely to impose restrictions on us and have a material adverse effect on our business, financial condition and results of operations. There is significant variation, among countries where we sell our products, in the limitation on certain constituents in packaging, which can have the effect of restricting the types of raw materials or amount of recycled glass we use. In turn, these restrictions can increase our operating costs, by requiring increased energy consumption or greater environmental controls.

Similarly, in the United States, some state regulations set the concentration of certain heavy metals in glass packaging at 100 ppm and provide for an exception to this rule in the event of additions of recycled packaging. Because this exemption has expired in certain states, the bottles manufactured from recycled glass that have a heavy metals concentration higher than 100 ppm could be noncompliant, which could have a negative impact on our earnings, financial condition, assets or image. We have had regulatory inquiries about our compliance and may in the future have additional inquiries or enforcement.

Our operations are subject to laws and regulations in multiple jurisdictions relating to some of the raw materials utilized in our can making process, such as epoxy-based coatings. Changes in regulatory agency statements, adverse information concerning bisphenol A or rulings made in certain jurisdictions may result in restrictions, for example, on bisphenol A in epoxy-based internal liners for some of our products. Such restrictions have required us, together with our respective suppliers and customers, to develop substitutes for relevant products to meet legal and customer requirements.

Increasing legal requirements on the reporting, due diligence and restricted use of "conflict minerals" originating from mines in the Democratic Republic of the Congo and adjoining countries as well as any increasing regulatory requirements on the bauxite or cassiterite value chain could bear reputational and compliance risks along the supply chain and affect the sourcing, availability and economics of minerals used in the manufacture of aluminum and steel beverage cans.

We could incur significant costs due to the location of some of our industrial sites in urban areas.

Obtaining, renewing or maintaining permits and authorizations issued by administrative authorities necessary to operate our production plants could be made more difficult due to the increasing urbanization of the sites where some of our manufacturing plants are located. Urbanization could lead to more stringent operating conditions (by imposing traffic restrictions for example), conditions for obtaining or renewing the necessary authorizations, the refusal to grant or renew these authorizations, or expropriations of these sites in order to allow urban planning projects to proceed.

The occurrence of such events could result in us incurring significant costs and there can be no assurance that the occurrence of such events would entitle us to partial or full compensation.

We could incur significant costs in relation to claims of injury and illness resulting from materials present or used at our production sites, or from our use of these sites or other workplace injuries, or from our products.

As is the case in a number of other industrial processes that deal with high temperatures, asbestos was once present in the glass-making industry, primarily in safety equipment, until measures were taken to substitute this material for other materials made possible through technological advances. Since the 1990s, items made of asbestos have gradually been removed at our sites in Western Europe and the United States. Because of the age of some of our sites, however, asbestos-cement may have been used in construction and may still be present at these sites. When these buildings are modernized or repaired, the cost of upgrades is higher because of the restrictions associated with removing asbestos-containing materials.

We are exposed to claims alleging injury or illness associated with asbestos and related compensation over and above the support that may be offered through various existing social security systems in countries where we operate.

Claims associated with our glass manufacturing operations exist and may arise for reasons associated with the work environment unrelated to the presence of asbestos. For example, claims have arisen associated with the acoustic environment generated by forming machines, the use of glass sand in making glass and products likely to contain heavy metals or solvents for decoration. We may also face the risk of work-related health claims owing to materials present or used at our production sites such as silicosis, and, under certain conditions, Legionnaires' disease. The U.S. Occupational Safety and Health Administration has implemented a requirement that reduced by 50% the permissible exposure limit to crystalline silica and requires engineering controls or personal protective equipment to safeguard employees from such exposure. The European Union has also set stricter exposure limit values for respirable crystalline silica in work processes under the Carcinogens and Mutagens Directive. This substance is a common mineral found in sand, which is a significant raw material component for glass manufacturing and is also contained in refractories, or bricks, used in glass manufacturing operations. Our costs to meet these reduced limits could be substantial, particularly if it becomes necessary for us to implement broad engineering controls across many of our glass manufacturing plants.

We are also exposed to claims alleging musculoskeletal disorders caused by performing certain repetitive operations or motions. We could also face claims alleging illness or injury from use of the products that we manufacture or sell or from workplace injuries more generally. If these claims succeed, they could have a material adverse impact on our business, financial condition and results of operations.

We may be subject to litigation, regulatory investigations, arbitration and other proceedings that could have an adverse effect on us.

We are currently involved in various litigation matters, and we anticipate that we will be involved in litigation matters from time to time in the future. The risks inherent in our business expose us to litigation, including personal injury, environmental litigation, contractual litigation with customers and suppliers, intellectual property litigation, tax or securities litigation, and product liability lawsuits. We cannot predict with certainty the outcome or effect of any claim, regulatory investigation, or other litigation matter, or a combination of these. If we are involved in any future litigation, or if our positions concerning current disputes are found to be incorrect, this may have an adverse effect on our business, financial condition and results of operations, including as a result of liabilities imposed on us, the costs associated with asserting our claims or defending such lawsuits, and the diversion of management's attention to these matters.

We are subject to an extensive, complex and evolving legal and regulatory framework, which may expose us to investigations by governmental authorities, legal proceedings and fines.

Our business encompasses multiple jurisdictions and complex legal and regulatory frameworks, including in relation to anti-trust, economic sanctions, anti-corruption and anti-money laundering matters. Laws and regulations in these areas are complex and constantly evolving and enforcement continues to increase. As a result, we may become subject to increasing limitations on our business activities and to the risk of fines or other sanctions for non-compliance. Additionally, we may become subject to governmental investigations and lawsuits by private parties. These could require significant expenditures and result in liabilities or governmental orders that could have a material adverse effect on our business, financial condition or results of operations.

Changes in consumer lifestyle, nutritional preferences, health-related concerns and consumer taxation could adversely affect our business.

Changes in consumer preferences and tastes can have an impact on demand for our customers' products, which in turn can lead to reduced demand for our products. In the United States, for example, the growth in consumption of imported beer and in newer beverage categories such as hard seltzers, has seen reduced demand for domestically-produced mass beer brands, resulting in reduced demand for glass packaging for this end-use category. Certain end-products represent a significant proportion of our packaging market. Our ability to develop new product offerings for a diverse group of global customers with differing preferences, while maintaining functionality and spurring innovation, is critical to our success. This requires a thorough understanding of our existing and potential customers and end users on a global basis, particularly in potential high developing markets. Failure to adapt and deliver quality products that meet customer or end user needs, through research and development or licensing of new technology, ahead of competitors, could have a material adverse effect on our business.

Additionally, public health and government officials have become increasingly concerned about the health consequences associated with over-consumption of certain types of beverages, such as sugar-sweetened beverages, including those produced by certain of our customers. For example, France and the United Kingdom have introduced taxes on drinks with added sugar and artificial sweeteners that companies produce or import. France has also imposed taxes on energy drinks using certain amounts of taurine and caffeine. As a result of such taxes, demand decreased temporarily in these countries, and the imposition of similar taxes in the future may lower the demand for certain soft drinks and beverages that our customers produce, which may cause our customers to respond by reducing their purchases of our metal and glass packaging products. Consumer tax legislation and future attempts to tax sugar or energy drinks or to lower consumption of certain alcoholic and non-alcoholic categories by other jurisdictions could reduce the demand for our products and adversely affect our profitability.

In addition, any decline in the popularity of these product types as a result of lifestyle, nutrition or health considerations, or our inability to adapt to customer needs, could have a significant impact on our customers and could have a material adverse effect on our business, financial condition and results of operations.

We face costs and future funding obligations associated with post-retirement benefits provided to employees, which could have an adverse effect on our financial condition.

As of December 31, 2021, our accumulated post-retirement benefit obligation, net of employee benefit assets, was approximately $559 million, covering employees in multiple jurisdictions. The costs associated with these and other benefits to employees could have a material adverse effect on our financial condition.

We operate and contribute to pension and other post-retirement benefit schemes (including both single-employer and multiple-employer schemes) funded by a range of assets that include property, derivatives, equities and/or bonds. The value of these assets is heavily dependent on the performance of markets, which are subject to volatility. The liability structure of the obligations to provide such benefits is also subject to market volatility in relation to its accounting valuation and management. Additional significant funding of our pension and other post-retirement benefit obligations may be required if market underperformance is severe. In addition, we may have to make significant cash payments to some or all of these plans, including under guarantee agreements, in the future to provide additional funding, which would reduce the cash available for our businesses.

Under the United States Employee Retirement Income Security Act of 1974, as amended, the U.S. Pension Benefit Guaranty Corporation ("PBGC") has the authority to terminate pension plans regulated by the PBGC if certain funding requirements are not met; any such termination would further accelerate the cash obligations related to such a pension plan.

Organized strikes or work stoppages by unionized employees could have a material adverse effect on our business.

Many of our operating companies are party to collective bargaining agreements with trade unions. These agreements cover the majority of our employees and although we consider our employee relations to be generally good, a prolonged work stoppage or strike at any facility with union employees could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot ensure that, upon the expiration of existing collective bargaining agreements, new agreements will be reached without union action or that our operating companies will be able to negotiate acceptable new contracts with trade unions, which could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. If unionized workers at our operating companies or any unionized workers were to engage in a strike or other work stoppage, we could experience a significant disruption of operations and/or higher ongoing labor costs, which may have a material adverse effect on our business, financial condition and results of operations.

Failure of control measures and systems resulting in faulty or contaminated product could have a material adverse effect on our business.

We have strict control measures and systems in place to ensure that the maximum safety and quality of our products is maintained. The consequences of a product not meeting these rigorous standards, due to, among other things, accidental or malicious raw materials contamination or due to supply chain contamination caused by human error or equipment fault, could be severe. Such consequences might include adverse effects on consumer health, litigation exposures, loss of market share, financial costs and loss of revenues.

In addition, if our products fail to meet rigorous standards, we may be required to incur substantial costs in taking appropriate corrective action (up to and including recalling products from consumers) and to reimburse customers and/or end-consumers for losses that they suffer as a result of this failure. Customers and end-consumers may seek to recover these losses through litigation and, under applicable legal rules, may succeed in any such claim, despite there being no negligence or other fault on our part. Placing an unsafe product on the market, failing to notify the regulatory authorities of a safety issue, failing to take appropriate corrective action and failing to meet other regulatory requirements relating to product safety could lead to regulatory investigation, enforcement action and/or prosecution. Any product quality or safety issue may also result in adverse publicity, which may damage our reputation. This could in turn have a material adverse effect on our business, financial condition and results of operations. Although we have not had material claims for damages for defective products in the past, and have not conducted any substantial product recalls or other material corrective action, these events may occur in the future.

In certain contracts, we provide warranties in respect of the proper functioning of our products and the conformity of a product to the specific use defined by the customer.

In addition, if a product contained in packaging manufactured by us is faulty or contaminated, it is possible that the manufacturer of the product may allege that our packaging is the cause of the fault or contamination, even if the packaging complies with contractual specifications. Furthermore, in certain countries, certain participants in the distribution chain refill bottles, even though they may not be designed for this purpose.

In case of the failure of packaging produced by us to open properly or to preserve the integrity of its contents, we could face liability to our customers and to third parties for bodily injury or other tangible or intangible damages suffered as a result. Such liability, if it were to be established in relation to a sufficient volume of claims or to claims for sufficiently large amounts, could have a material adverse effect on our business, financial condition and results of operations.

Our existing insurance coverage may be insufficient and future coverage may be difficult or expensive to obtain.

Although we believe that our insurance arrangements provide adequate coverage for the risks inherent in our business, these insurance arrangements could be restricted due to limited insurance market capacities and typically exclude certain risks and are subject to certain thresholds and limits. We cannot assure you that our property, plant and equipment and inventories will not suffer damages due to unforeseen events or that the proceeds available from our insurance arrangements will be sufficient to protect us from all possible loss or damage resulting from such events. As a result, our insurance coverage may prove to be inadequate for events that may cause significant disruption to our operations, which may have a material adverse effect on our business, financial condition and results of operations.

We may suffer indirect losses, such as the disruption of our business or third-party claims of damages, as a result of an insured risk event. While we carry business interruption coverage and general liability coverage, such coverage is subject to certain limitations, thresholds and limits, and may not fully cover all indirect losses.

We renew our insurance arrangements on an annual basis. The cost of coverage may increase to an extent that we may choose to reduce our coverage limits or agree to certain exclusions from our coverage. Among other factors, adverse political developments, limited insurance market capacity, security concerns and natural disasters in any country in which we operate may materially adversely affect available insurance coverage and result in increased premiums for available coverage and additional exclusions from coverage.

Our business may suffer if we do not retain our executive and senior management.

We depend on our experienced executive team, who are identified under "*Directors, Senior Management and Employees*" of this annual report. The loss of services of any of the members of our executive team, members of senior management or other key personnel could adversely affect our business until a suitable replacement can be found. There may be a limited number of persons with the requisite skills to serve in these positions and there is no assurance that we would be able to locate or employ such qualified personnel on terms acceptable to us or at all.

The United Kingdom's withdrawal from the European Union may have a negative effect on our financial condition and results of operations.

Approximately 12% of our total 2021 revenue was derived from revenues generated in the United Kingdom and 7 of our 58 metal or glass packaging manufacturing facilities are located in the United Kingdom, as of December 31, 2021.

The relationship between the United Kingdom and the European Union is governed by a Withdrawal Agreement entered into at the end of January 2020, and a Trade and Cooperation Agreement, which took effect from January 1, 2021 (the "Brexit Agreements"). The Brexit Agreements provide for a zero tariff, zero quota arrangement on sales of goods and agriproducts between the United Kingdom and the European Union. Customs duties on goods originating outside the European Union or United Kingdom, or in the event that the zero tariff arrangements under the Brexit Agreements are amended or suspended, might lead to additional costs for products and materials shipped from the United Kingdom to Europe or from Europe to the United Kingdom respectively. Further, required changes to our business systems and processes in order to comply with newly introduced customs procedures may lead to additional costs.

More generally, differences in standards or processes or risk aversion may mean that some businesses choose not to serve other markets on a temporary or permanent basis, causing supplier disruption. Uncertainty remains regarding the impact of the withdrawal of the United Kingdom from the European Union ("Brexit") and the Brexit Agreements on the United Kingdom and Europe, including among commercial parties in the United Kingdom and the European Union, financial institutions, suppliers and service providers and their respective customers. Any changes to the trading relationship between the United Kingdom and the European Union arising from the Brexit Agreements may adversely affect the cost or timing of imports, including aluminum and coatings in our Ardagh Metal Packaging operations and soda ash, molds and machinery in our Ardagh Glass Packaging operations.

Some of our customers are based in the United Kingdom and export outside the local United Kingdom market. These customers may experience reduced demand or delays arising from these post-Brexit arrangements. Although we seek to export through channels where delays would be minimized, we have nonetheless experienced delays in the transport of certain products, consumables and other materials particularly in relation to shipments from the United Kingdom to the European Union. The impact of these delays, if prolonged, could adversely affect our financial condition and the results of our operations.

Brexit may also have an adverse impact on our business, employees and customers in the United Kingdom. In particular, the Brexit Agreements allow for the possibility of future changes in laws and regulations. Such changes could include import, tax and employment laws and regulations, which could adversely impact the results of operations of our United Kingdom business. For example, there is uncertainty with regard to the upcoming regulatory regime relating to environmental permits and permissions, with such environmental permits and permissions currently governed by the EU IED. More burdensome requirements imposed by the new upcoming regulatory regime could require that we commit additional resources to ensure compliance and although we will use reasonable efforts to ensure such compliance, the introduction of new regulations increases the risk of non-compliance.

Further, continued political uncertainty as a result of Brexit may result in negative effects on credit markets, and foreign direct investments in Europe and the United Kingdom. It may also result in volatility in the British pound foreign exchange markets and interest rates. See also the risk factor entitled "*Currency, interest rate fluctuations and commodity prices may have a material impact on our business.*"

Brexit could also lead to legal and regulatory uncertainty and politically divergent national laws and regulations as a new relationship between the United Kingdom and the European Union is defined and the United Kingdom determines which European Union laws to replace or amend. Volatility in political, regulatory, economic or market conditions could adversely affect employment rates, increase consumer and commercial bankruptcy filings, negatively impact on national and local economies, and cause other results that negatively affect household incomes.

The economic outlook could be further adversely affected by the risk that one or more European Union member states could also leave the European Union, the risk of a demand for independence by Scotland or Northern Ireland, or the risk that the euro as the single currency of any or all of the Eurozone member states could cease to exist. These developments, or the perception that any of them could occur, may have a material adverse effect on the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings may be especially subject to increased market volatility. These negative impacts could adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic and any future epidemics may have a negative impact on worldwide economic activity and our business.

The COVID-19 global pandemic and measures to prevent its spread, including restrictions on travel, imposition of quarantines and prolonged closures of workplaces and other businesses, including hospitality, leisure and entertainment outlets, and the related cancellation of events, has impacted our business in a number of ways.

The COVID-19 pandemic has reduced global economic activity resulting in lower demand for certain of our customers' products and, therefore, the products we manufacture, though demand for "at-home" consumption has increased and therefore demand for many of our customers' products and, as a result, for the products we manufacture, has proven to be resilient to date during the pandemic. The COVID-19 pandemic has at times caused, and may again give rise to an adverse effect on our operations, including disruptions to our supply chain and workforce and the incurrence of increased costs. Although our production has not been significantly impacted to date, our plants may be required to curtail or cease production in response to the spread of COVID-19. The COVID-19 impact on capital markets could also impact our cost of borrowing. In addition, our customers, distribution partners, service providers or suppliers may experience financial distress, file for bankruptcy protection, go out of business, or suffer disruptions in their business due to the outbreak of COVID-19, which would have a negative impact on our business. The extent of the impacts of the COVID-19 pandemic on our business and results of operations continues to be uncertain.

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

If the COVID-19 pandemic continues unabated despite containment efforts, it could cause a severe economic slowdown and potentially an extended recession or depression, which would adversely affect the demand for our products or cause other unpredictable events, each of which would adversely affect its business, results of operations or financial condition. Any future epidemics may also have similar, or more severe, effects on global economic activity and on our business, results of operations or financial condition.

Increasing privacy and data security obligations or a significant data breach may adversely affect the Company's business.

The Company will continue its efforts to meet data security obligations and manage evolving cyber security threats, including events such as the cyber security incident that was discovered by the Group in May 2021, and is described in the section entitled "Operating and Financial Review", and which resulted in the exfiltration and dissemination of certain data.. The loss, disclosure, misappropriation of or access to employees' or business partners' information or the Company's failure to meet its obligations could result in lost revenue, increased costs, legal claims or proceedings, liability or regulatory penalties, including, for instance, under the EU General Data Protection Regulation or the California Consumer Privacy Act. A significant data breach or the Company's failure to meet its obligations may adversely affect the Company's reputation and financial condition.

The Company's heavy reliance on technology and automated systems to operate its business could mean any significant failure or disruption of the technology or these systems, including as a result of cyber security attacks, could materially harm its business.

The Company depends on automated systems and technology to operate its business, including accounting systems, manufacturing systems and telecommunication systems. The Company operates a cyber and information risk management program including operating a global information security function, which partners with global leaders in the security industry to deliver an integrated information and cyber risk management service using state-of-the-art technologies in areas including antivirus & anti-malware, email and web security platforms, firewalls, intrusion detection systems, cyber threat intelligence services and advanced persistent threat detection. The Company also partners with global leaders to deliver high availability and resilient systems and communication platforms. However, these systems could suffer substantial or repeated disruptions due to various events, some of which are beyond the Company's control, including natural disasters, power failures, terrorist attacks, equipment or software failures, user errors, computer viruses or cyber security attacks. We have recently observed an increase in cyber security attacks, predominantly ransomware and social engineering attacks. As the cyber-threat landscape evolves, these attacks are growing in frequency, sophistication and intensity, and due to the nature of some of these attacks, there is also a risk that they may remain undetected for a period of time.

We have been the target of cyber-attacks and expect such attacks to continue. On May 17, 2021, We announced that we had experienced a cyber security incident, the response to which included temporarily shutting down certain IT systems and applications used by us, as described in the section entitled "Operating and Financial Review." Our cyber and information risk management program aims to reduce our cyber security risks and monitors our systems on an ongoing basis for any current or potential threats. However, there can be no assurance that our continuing efforts will prevent disruptions or breaches to our or our third-party providers' databases or systems that could adversely affect our business.

Substantial or repeated systems failures or disruptions, including through not effectively remediating system failures, cyber security incidents and other disruptions, could result in the unauthorized release of confidential or otherwise protected information, improper use of our systems and networks, defective products, harm to individuals or property, contractual or regulatory actions and fines, penalties and potential liabilities, production downtime and operational disruptions and loss or compromise of important data, which may result in increased costs and lost revenue and competitiveness and may negatively impact our reputation, any of which could adversely affect our business, results of operations and financial condition. Increased global IT security threats and more sophisticated and targeted computer crime may further increase this risk.

Our substantial debt could adversely affect our financial health and our ability to effectively manage and grow our business.

We have a substantial amount of debt and significant debt service obligations. As of December 31, 2021, we had total borrowings and net debt of $8.8 billion and $5.8 billion, respectively. For more information, see the description of our debt facilities and the table outlining our principal financing arrangements in "*Operating and Financial Review*".

Our substantial debt could have negative consequences for us and for our shareholders. For example, our substantial debt could:

- require us to dedicate a large portion of our cash flow from operations to service debt and fund repayments on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business or industry;
- limit our ability to raise additional debt or equity capital in the future;
- restrict us from making strategic acquisitions or exploiting business opportunities; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

Further, notwithstanding our current indebtedness levels and restrictive covenants, we may still be able to incur substantial additional debt or make certain restricted payments, which could exacerbate the risks described above.

Negative developments in our business, results of operations and financial condition due to changes in global economic conditions or other factors could cause ratings agencies to lower the credit ratings, or ratings outlook, of our short- and long-term debt and, consequently, impair our ability to raise new financing or refinance our current borrowings and increase our costs of issuing any new debt instruments.

Risks Related to Our Class A Common Shares

We voluntarily delisted from the NYSE and are no longer an SEC reporting company, and as such we are no longer required to comply with certain corporate governance and reporting requirements that we were previously held to and that are applicable to listed reporting companies.

As previously announced, on October 6, 2021, the Company filed a Form 25 with the U.S. Securities and Exchange Commission (the "SEC") to voluntarily delist our Class A common shares from the New York Stock Exchange ("NYSE") and our Class A common shares were suspended from trading on the NYSE on October 6, 2021. Following delisting of the Class A common shares, on October 18, 2021, the Company filed a Form 15 with the SEC to terminate the registration of our Class A common shares under Section 12(g) of the Exchange Act, resulting in the automatic suspension of the Company's reporting obligations under Sections 13(a) and 15(d) of the Exchange Act. As a result, we are also no longer required to comply with certain corporate governance requirements of the NYSE and SEC reporting requirement that we were previously held to and that are applicable to listed reporting companies. For example, we are no longer required to file Form 20-Fs or Form 6-Ks and we are not subject to any corporate governance standards of the NYSE. We are also no longer subject to reporting requirements under the Sarbanes-Oxley Act, such as the requirement for the principal executive officer and principal financial officer of a listed company to certify the effectiveness of its disclosure controls and procedures and its internal controls over financial reporting. Accordingly, our shareholders no longer have the same protections afforded to shareholders of listed companies that are subject to these requirements.

The delisting of our Class A common shares from the NYSE limits the ability of shareholders to trade their Class A common shares and subjects the Company to additional trading restrictions.

As a result of the delisting of our Class A common shares from the NYSE, we and our shareholders could face significant material adverse consequences with respect to such shares, including:

- a less liquid trading market for our Class A common shares;
- more limited market quotations for our Class A common shares;
- more limited research coverage by stock analysts;
- impact on the Company's reputation;
- more difficult and more expensive equity financings in the future; and
- decreased ability to issue additional securities or obtain additional funding in the future.

The National Securities Markets Improvement Act of 1996, which is a U.S. federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." As a result of our Class A common shares no longer being listed on the NYSE, such shares are no longer "covered securities," as and such, the Company is subject to regulation in each U.S. state in which the Company offers our Class A common shares.

The dual class structure of our common shares has the effect of concentrating voting control with our Parent Company or its shareholders and limiting our other shareholders' ability to influence corporate matters.

Our Class B common shares, with a nominal value of €0.10 each, have 10 votes per share, and our Class A common shares, with a nominal value of €0.01 each, have one vote per share. Our Parent Company owns indirectly all Class B common shares, which represent approximately 99.87% of the voting power of our issued and outstanding share capital. Our Parent Company has the ability to control the outcome of most matters requiring shareholder approval, including:

- the election of our board of directors and, through our board of directors, decision making with respect to our business direction and policies, including the appointment and removal of our officers;
- mergers and de mergers;
- changes to our Articles; and
- our capital structure.

This voting control and influence may discourage transactions involving a change of control of the Company, including transactions in which holders of our Class A common shares might otherwise receive a premium for their shares.

In addition, our Parent Company may continue to be able to control the outcome of most matters submitted to our shareholders for approval even if their shareholdings represent less than 50% of all issued shares. Due to the 10 to 1 voting ratio between our Class B and Class A common shares, our Parent Company will continue to control a majority of the combined voting power of our issued and outstanding share capital even when Class B common shares represent substantially less than 50% of all issued and outstanding common shares. This concentrated control will limit the ability of holders of our Class A common shares to influence corporate matters for the foreseeable future, and, as a result, the market price of our Class A common shares could be adversely affected.

The Company has agreed with the Parent Company to take such actions as are necessary to implement a reorganization of the Parent Company so that shareholders of the Parent Company become proportionate direct holders of our common shares, provided that the aggregate number of Class B common shares received by such shareholders in such event shall be substantially the same as, or fewer than (adjusting for fractional shares), the number of the Class B common shares owned by the Parent Company immediately prior to the date of such event. If such a reorganization were to occur, we anticipate that such holders who are Qualified Holders (as defined in our Articles) will be entitled to elect to receive either Class A common shares or Class B common shares in the reorganization and that following the reorganization, holders of Class B common shares may continue to collectively have voting power that would allow them to control the outcome of most matters requiring shareholder approval. The pre IPO shareholders of the Parent Company are also permitted, in our Articles, to transfer Class B common shares among themselves and to certain family members and permitted entities.

In addition, the Toggle Notes issued by the Parent Company are secured by all of our outstanding Class B common shares. Enforcement of the pledges in an event of default under the Toggle Notes could impact corporate control and might trigger change of control provisions under the indentures.

In the future, we may issue options, restricted shares and other forms of share-based compensation, which have the potential to dilute shareholder value and cause the price of our Class A common shares to decline.

We may offer share options, restricted shares and other forms of share-based compensation to our directors, officers and employees in the future. If any options that we issue are exercised, or any restricted shares that we may issue vest, and those shares are sold into the public market, the market price of our Class A common shares may decline. In addition, the availability of Class A common shares for award under any equity incentive plan we may introduce, or the grant of share options, restricted shares or other forms of share-based compensation, may adversely affect the market price of our Class A common shares.

We are organized under the laws of Luxembourg and a substantial amount of our assets are not located in the United States. It may be difficult for you to obtain or enforce judgments or bring actions against us or our directors and officers in the United States.

We are organized under the laws of Luxembourg. In addition, a substantial amount of our assets are located outside the United States. Furthermore, many of our directors and officers reside outside the United States and will continue to reside outside the United States. As a result, investors may not be able to effect service of process within the United States upon us or these persons or enforce judgments obtained against us or these persons in U.S. courts, including judgments in actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it also may be difficult for an investor to enforce in U.S. courts judgments obtained against us or these persons in courts located in jurisdictions outside the United States, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws. Awards of punitive damages in actions brought in the United States or elsewhere are generally not enforceable in Luxembourg.

Any judgments obtained in any U.S. federal or state court against us may have to be enforced in the courts of Luxembourg or other EU member states. As there is no treaty in force on the reciprocal recognition and enforcement of judgments in civil and commercial matters between the United States and Luxembourg, courts in Luxembourg will not automatically recognize and enforce a final judgment rendered by a U.S. court. A valid judgment obtained from a court of competent jurisdiction in the United States may be entered and enforced through a court of competent jurisdiction in Luxembourg, subject to compliance with the enforcement procedures (exequatur). The enforceability in Luxembourg courts of judgments rendered by U.S. courts will be subject, prior to any enforcement in Luxembourg, to the procedure and the conditions set forth in the Luxembourg procedural code, which conditions may include the following (which may change):

- the judgment of the U.S. court is final and enforceable (*exécutoire*) in the United States and has not been enforced in the United States;
- the U.S. court had jurisdiction over the subject matter leading to the judgment (that is, its jurisdiction was in compliance both with Luxembourg private international law and local law rules and with the applicable domestic U.S. federal or state jurisdictional rules);
- the judgment was granted following proceedings where the counterparty had the opportunity to appear, and if it appeared, to present a defense and other conditions for a fair trial have been complied with taking into account all facts and circumstances whether occurring before, during or after trial or issue and delivery of the judgment, and the judgment has not been obtained by reason of fraud;
- the U.S. court applied the substantive laws as designated by the Luxembourg conflict of law rules;
- the U.S. judgment does not contravene international public policy (*ordre public*) or order, both substantive and procedural, as understood under the laws of Luxembourg or has been given in proceedings of a criminal nature; and
- the absence of contradiction between such judgment and an already issued judgment of a Luxembourg court.

In addition, actions brought in a Luxembourg court against us, the members of our board of directors or our officers to enforce liabilities based on U.S. federal securities laws may be subject to certain restrictions. In particular, Luxembourg courts generally do not award punitive damages. Litigation in Luxembourg also is subject to rules of procedure that differ from the U.S. rules, including, with respect to the taking and admissibility of evidence, the conduct of the proceedings and the allocation of costs. Proceedings in Luxembourg would have to be conducted in the French or German language, and all documents submitted to the court would, in principle, have to be translated into French or German. For these reasons, it may be difficult for a U.S. investor to bring an action in a Luxembourg court predicated upon the civil liability provisions of the U.S. federal securities laws against us, the members of our board of directors or our officers. In addition, even if a judgment against us, the members of our board of directors or our officers based on the civil liability provisions of the U.S. federal securities laws is obtained, a U.S. investor may not be able to enforce it in U.S. or Luxembourg courts.

Our directors and officers have entered into indemnification agreements with us. Under such agreements, the directors and officers are entitled to indemnification from us to the fullest extent permitted by Luxemburg law against liability and expenses reasonably incurred or paid by them in connection with claims, actions, suits or proceedings in which they become involved as a party or otherwise by virtue of performing or having performed as a director or officer, and against amounts paid or incurred by them in the settlement of such claims, actions, suits or proceedings. Luxembourg Law and our Articles permit us to keep directors indemnified against any expenses, judgments, fines and amounts paid in connection with liability of a director towards us or a third party for management errors, i.e., for wrongful acts committed during the execution of the mandate (*mandat*) granted to the director by us, except in connection with criminal offenses, gross negligence, fraud or dishonesty. The rights to and obligations of indemnification among or between us and any of our current or former directors and officers are generally governed by the laws of Luxembourg and subject to the jurisdiction of the Luxembourg courts, unless such rights or obligations do not relate to or arise out of such persons' capacities listed above. Although there is doubt as to whether U.S. courts would enforce this indemnification provision in an action brought in the United States under U.S. federal or state securities laws, this provision could make it more difficult to obtain judgments outside Luxembourg or from non-Luxembourg jurisdictions that would apply Luxembourg Law against our assets in Luxembourg.

We are a holding company and depend on dividends and other distributions from subsidiaries in order to pay cash dividends.

As we are a holding company, our ability to pay cash dividends on our shares may be limited by restrictions on our ability to obtain sufficient funds through dividends from subsidiaries, including restrictions under the terms of the agreements governing the current indebtedness of us and our subsidiaries or future indebtedness that we or our subsidiaries may incur.

Subject to any limitations referred to above, or as prescribed by Luxembourg Law, the declaration of future dividends, if any, will depend upon our future operations and earnings, capital expenditure requirements, general financial conditions, legal and contractual restrictions and other factors. In addition, under the indenture governing the Toggle Notes, the Parent Company is required to cause us to take all actions necessary or appropriate to permit the making of the maximum amount of dividends or other distributions that would be lawfully permitted to be declared and paid in order for it to meet its cash interest payment obligations. In certain circumstances, we may be required to declare a special dividend to the Parent Company in order to comply with these obligations.

The rights of our shareholders may differ from the rights they would have as shareholders of a U.S. corporation and consequently our shareholders may have more difficulty protecting their interests.

Our corporate affairs are governed by our Articles and Luxembourg Law, including the Luxembourg Law of 10 August 1915, on commercial companies, as amended. The rights of our shareholders and the responsibilities of our directors and officers under Luxembourg Law are different from those applicable to a corporation incorporated in the United States.

In the performance of its duties, the board of directors is required to act as a collegiate body in the interest of the Company. It is possible that the Company may have interests that are different from interests of the shareholders. If any member of our board of directors has a direct or indirect financial interest in a matter which has to be considered by the board of directors which conflicts with the interests of the Company, Luxembourg Law provides that such director will not be entitled to participate in deliberations on and exercise his vote with respect to the approval of such transaction. If the interest of such a member of the board of directors does not conflict with the interests of the Company, then the applicable director with such interest may participate in deliberations on, and vote on the approval of, that transaction.

Further, under Luxembourg Law, there may be less publicly available information about the Company than is regularly published by or about U.S. issuers. In addition, Luxembourg Law governing the securities of Luxembourg companies may not be as extensive as those in effect in the United States, and Luxembourg Law and regulations in respect of corporate governance matters might not be as protective of minority shareholders as state corporation laws in the United States. Therefore, our shareholders may have more difficulty in protecting their interests in connection with actions taken by its directors and officers or its principal shareholders than they would as shareholders of a corporation incorporated in the United States.

Neither our Articles nor Luxembourg Law provides for appraisal rights for dissenting shareholders in certain extraordinary corporate transactions that may otherwise be available to shareholders under certain U.S. state laws. As a result of these differences, our shareholders may have more difficulty protecting their interests than they would as shareholders of a U.S. issuer.

All of our shareholder meetings will take place in Luxembourg. Generally, shareholders may vote by proxy or in person at any general meeting, however, in response to the COVID-19 pandemic, and in accordance with the Luxembourg Law of September 23, 2020, as amended, which allows for meetings of shareholders to be held without requiring their physical presence and which provides for the exercise of the shareholders' rights through their representation by a proxy holder, the 2022 annual general meeting will be conducted without shareholders' physical presence and so shareholders may vote only by proxy.

Our Articles include compulsory share transfer provisions that may not provide our minority shareholders with the same benefits as they would have in a merger of a Delaware corporation.

We have included in our Articles provisions that give the holder of 75% of the number of our outstanding common shares (which would include the Parent Company for so long as it holds the requisite number of our common shares) the right to acquire our outstanding shares held by all other holders at such time for a purchase price payable in cash that is equal to the fair market value of such shares, as determined by an independent investment banking firm of international reputation in accordance with the procedures contained in our Articles. These procedures include a dispute resolution provision permitting holders of at least 10% of the shares of the Company held by our minority shareholders at that time to dispute the purchase price proposed by the acquiring shareholder. It is uncertain whether our minority shareholders will be able to coordinate with each other in a manner that will enable them to take full advantage of these provisions. There can be no assurance that these provisions would result in a price as favorable to our minority shareholders as they would receive in a transaction subject to Delaware law and appraisal rights.

The super voting rights of our Class B common shares and other anti-takeover provisions in our Articles might discourage or delay attempts to acquire us.

In addition to the super voting rights of our Class B common shares, our Articles contain provisions that may make the acquisition of our Company more difficult, including the following:

- *Control by Class B common shareholders.* Our Articles provide for a dual class share structure, which, for so long as Class B common shares are issued and outstanding, will allow our Parent Company to control the outcome of most matters requiring shareholder approval, even if it owns Class B common shares representing significantly less than a majority of the Company's issued and outstanding common shares. As a result, the holders of our Class B common shares could delay or prevent the approval of a change of control transaction that may otherwise be approved by the holders of the issued and outstanding Class A common shares.

- *Classified Board.* Our board of directors is classified into three classes of directors that are, as nearly as possible, of equal size. Each class of directors will be elected for a three-year term of office, but the terms are staggered so that the term of only one class of directors expires at each annual general meeting. The existence of a classified board could impede a proxy contest or delay a successful tender offeror from obtaining majority control of the board of directors, and the prospect of that delay might deter a potential offeror.

- *Notice Requirements for Shareholder Proposals.* Luxembourg Law and our Articles provide that one or more shareholders together holding at least the 10% threshold may request the addition of one or more items to the agenda of any general meeting. The request must be sent to the registered office by registered mail, at least five clear days before the meeting is held. Our Articles also specify certain requirements regarding the form and content of a shareholder's notice. These requirements may make it difficult for our shareholders to bring matters before a general meeting.

- *Special Resolutions.* Our Articles require special resolutions adopted at an extraordinary general meeting for any of the following matters, among other things: (a) an increase or decrease of the authorized or issued capital, (b) an amendment to our Articles and (c) dissolving the Company. Pursuant to our Articles, for any special resolutions to be considered at a general meeting the quorum is at least one-half (1/2) of the share capital in issue present in person or by proxy, taking into account the par value of each Class A common share (€0.01) and the par value of each Class B common share (€0.10) (in effect one-half (1/2) of the voting rights), unless otherwise mandatorily required by Luxembourg Law. Any special resolution may be adopted at a general meeting at which a quorum is present (except as otherwise provided by mandatory law) by the affirmative votes of at least two-thirds (2/3) of the votes validly cast on such resolution by shareholders entitled to vote.

These anti-takeover provisions could discourage, delay or prevent a transaction involving a change in control of our Company, even if such transaction would benefit our shareholders.

Holders generally will be subject to a 15% withholding tax on payment of dividends made on the Class A common shares under current Luxembourg tax law.

Under current Luxembourg tax law, payments of dividends made on the Class A common shares generally are subject to a 15% Luxembourg withholding tax. Certain exemptions or reductions in the withholding tax may apply, but it will be up to the holders to claim any available refunds from the Luxembourg tax authority.

Sustainability

Sustainability

Sustainability is a core pillar of our business, recognizing that long-term economic viability is dependent upon having a sustainable business model.

We have continued to expand our governance of climate risk and integrate climate considerations into the priorities of our board of directors and senior management. Going forward, we intend to measure, manage and reduce the climate risk on our business in line with Taskforce on Climate-Related Financial Disclosures ("TCFD") guidelines. The TCFD provides a framework to consider and disclose our processes for managing the risks and opportunities associated with climate change. In 2022, we will consider the recommendations within the framework and enhance our associated opportunities in order to optimize our risk mitigation strategy. We also monitor regulatory developments on climate risk and sustainable finance.

Our sustainability focus is centered on minimizing the impact of our operations and products on the environment, promoting a healthy, safe and inclusive workplace for our employees and contributing positively to the communities in which we operate. We have established a Board Sustainability Committee to oversee our sustainability initiatives, supported by our Group sustainability function.

In pursuance of our environmental objectives, we seek to promote recycling of our products, enhance our product design and target continuous improvement in our processes. Metal and glass are both infinitely recyclable, without any degradation in quality, differentiating them from many other packaging substrates. We expect these attributes to continue to enhance our products' appeal, as consumer awareness of sustainability and the environment grows.

Recycling rates for aluminum beverage cans are relatively high in the geographies in which we operate, estimated at 56% in the United States, 76% in Europe and 97% in Brazil as of 2019-2020. The use of recycled aluminum reduces energy consumption by over 90% compared with the alternative of producing aluminum cans from its virgin source.

In glass packaging, we aim to maximize the use of recycled glass, or cullet, in our production process, thereby reducing energy consumption and emissions. In Europe, the recycling rate for glass packaging is 78%, and we use up to 90% cullet in some glass furnaces. Recycling rates for glass packaging in the United States are significantly lower at 33%. We are committed to working, including with industry associations, to promote recycling rates in the regions in which we operate. FEVE, the European glass federation, has targeted an increase in glass recycling rates in the European Union, to 90% by 2030, through its Close the Glass Loop initiative. In addition, we have investments and partnerships in Europe to enhance our supply of cullet and are seeking to increase supply in the United States.

We continuously aim to reduce the material and resource usage in the manufacture of our products, through lightweighting of our metal beverage cans and glass containers. In addition, we have established specialist groups across our business and promote best practice sharing, in order to drive continuous improvement in our processes.

We have committed to adopt Science-Based Sustainability Targets through the Science-Based Targets initiative, whereby we will set specific goals for reducing GHG emissions in alignment with the Paris Agreement of 2015, under which governments mutually pledged to limit the increase in global temperatures to 1.5°C.

We have established targets for reductions in energy consumption, emissions, water usage, waste and other metrics and report on progress towards their achievement in our Sustainability Reports (available at www.ardaghgroup.com). In 2020, we revised our sustainability strategy and set new targets, in line with the 1.5°C pathway for Scope 1 and Scope 2 Emissions, and 2°C pathway for Scope 3 Emissions to reduce our carbon emissions by 2030. We intend to achieve these targets through a wide range of initiatives, including (i) greater usage of renewable energy, including the installation of solar and wind projects in multiple production facilities (ii) promoting the use of recycled content (iii) pursuing energy-efficiency projects across our plant network (iv) procuring electricity from renewable sources (v) sourcing sustainable inputs from our supplier base and (vi) minimizing VOC and NOx emissions.

The FEVE-sponsored consortium will no longer participate in the Furnace for the Future project, which aimed to build the world's first large-scale hybrid oxy-fuel furnace to run on up to 80% renewable electricity at one of our glass production facilities in Europe. We remain committed to de-carbonizing the glass production process and will continue to pursue other options, including alternative technological initiatives.

In September 2015, member states of the United Nations developed a plan for the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. Underpinning this plan are the 17 Sustainable Development Goals ("SDGs"). As a signatory to United Nations Global Compact, our strategy is linked to specific SDGs, including Affordable and Clean Energy (#7), Responsible Consumption and Production (#12), Climate Action (#13), Partnerships for the Goals (#17), Good Health and Wellbeing (#3), Quality Education (#4) and Gender Equality (#5).

We have once again been awarded Leadership Class ratings by CDP (formally the Carbon Disclosure Project), receiving an "A-" in respect of climate change, an "A" rating for our supplier management and "A-" in respect of water management in 2021.

We aim to ensure a safe and healthy workplace for all of our employees by embedding a culture of safety awareness. Broad principles are supported by detailed policies and procedures to minimize accidents and injuries through continuous training and education. We are committed to promoting diversity and inclusion in the workplace and have established diversity and inclusion councils across our business units.

We are a significant local employer and seek to play a positive role in our communities, including promoting educational linkages with the community through internships and apprenticeships. We have committed to invest approximately $50 million over the next 10 years in our local communities in the U.S., Brazil and Europe in science, technology, engineering and mathematics education initiatives for under-privileged children. Each plant also runs a community involvement program to raise environmental awareness, encourage recycling, and promote and support initiatives to help local charities and good causes.

Directors, Senior Management and Employees

Directors, Senior Management and Employees

Directors and Officers

Set forth below is information concerning our directors and officers as of the date of this annual report including their names, ages, positions and current directorship terms (which expire on the date of the relevant year's annual general meeting of shareholders). For purposes of this section, references to the "Group" refer to Ardagh Group S.A.. There are no family relationships among the executive officers or between any executive officer or director. Our executive officers are appointed by the board of directors to serve in their roles. Each executive officer is appointed for such term as may be prescribed by the board of directors or until a successor has been chosen and qualified or until such officer's death, resignation or removal. Unless otherwise indicated, the business address of all of our executive officers and directors is 56, rue Charles Martel, L-2134 Luxembourg, Luxembourg.

Name	Age	Position	Expiration of current directorship term
Paul Coulson	69	Chairman and Chief Executive Officer	2023
Shaun Murphy	55	Chief Operating Officer and Director	2022
John Sheehan	56	Chief Financial Officer and Director	2022
Oliver Graham	53	Chief Executive Officer Ardagh Metal Packaging and Director	2022
Gerald Moloney	64	Director, Executive Committee	2022
Brendan Dowling	74	Director	2022
Houghton Fry	76	Director	2022
Johan Gorter	62	Director	2024
Abigail Blunt	60	Independent Non-Executive Director	2023
Yves Elsen	63	Independent Non-Executive Director	2023
The Rt. Hon. the Lord Hammond of Runnymede	66	Independent Non-Executive Director	2024
Damien O'Brien	66	Independent Non-Executive Director	2024
Hermanus Troskie	51	Independent Non-Executive Director	2024
Edward White	74	Independent Non-Executive Director	2023

Backgrounds of Our Directors and Officers

Paul Coulson

Paul Coulson graduated from Trinity College Dublin with a business degree in 1973. He spent five years with Price Waterhouse in London and Dublin and qualified as a Chartered Accountant in 1978. He then established his own accounting firm before setting up Yeoman International in 1980 and developing it into a significant leasing and structured finance business. In 1998 he became Chairman of the Group and initiated the transformation of Ardagh from a small, single plant operation into a leading global packaging company. Over the last 30 years he has been involved in the creation and development of a number of businesses apart from Yeoman and Ardagh. These include Fanad Fisheries, a leading Irish salmon farming company, and Sterile Technologies. Prior to its sale to Stericycle, Inc. in 2006, Sterile Technologies had been developed into the leading medical waste management company in the United Kingdom and Ireland.

Shaun Murphy

Shaun Murphy was appointed Chief Operating Officer and Director of the Group in 2019. He is Chairman of the Sustainability Committee. Prior to joining Ardagh, he was a partner at KPMG for almost 20 years and completed a six-year term as Managing Partner of KPMG in Ireland in 2019. Mr. Murphy also served as the Lead Director on KPMG's Global Board from 2015 until 2019. He holds a business degree from University College Dublin and is a Chartered Accountant.

John Sheehan

John Sheehan was appointed Chief Financial Officer and Director of Ardagh Group in 2021, having previously been Director of Corporate Development and Investor Relations. Prior to joining Ardagh in 2012, Mr. Sheehan spent twelve years in the equity capital markets with Investec, RBS and NCB, covering a range of sectors. Mr. Sheehan qualified as a Chartered Accountant with PriceWaterhouseCoopers.

Oliver Graham

Oliver Graham is CEO of Ardagh's Metal Packaging business, comprising Europe, North America and South America, a position he has held since January 1, 2020. Before taking up his current role, Mr. Graham was CEO of Metal Packaging Europe with responsibility for Metal Packaging Brazil, as well as being Group Commercial Director. He joined Ardagh in 2016 following the acquisition of the metal beverage business, prior to which he was Group Commercial Director at Rexam PLC. Mr. Graham joined Rexam PLC in 2013 from The Boston Consulting Group, where he was a partner. Mr. Graham joined the Board in 2020 and is a member of the Sustainability Committee.

Gerald Moloney

Gerald Moloney has been a director of the Group since 2016, having served for many years on the boards of Yeoman International Group Limited and Yeoman Capital S.A.. He is an executive with the Group since 2018 and is a member of the Executive Committee. He holds a law degree from University College Cork and qualified as a solicitor in 1981. He worked for a period in European law in Brussels and has many years' experience working in the areas of commercial law and commercial litigation. He is a founding partner of the commercial and litigation law firm, G.J. Moloney, with offices in Dublin and Cork, Ireland.

Brendan Dowling

Brendan Dowling has been a director of the Group since 1998. He holds graduate degrees in economics from University College Dublin and Yale University. He was Economic Advisor to the Minister for Foreign Affairs in Dublin before joining Davy Stockbrokers in 1979 as Chief Economist and later partner. He is a former member of the Committee of the Irish Stock Exchange and the Industrial Development Authority of Ireland. Prior to joining Yeoman International Group in 1995, he was Executive Chairman of Protos Stockbrokers in Helsinki, Finland.

Houghton Fry

Houghton Fry qualified as a solicitor in 1967 with William Fry, Solicitors in Dublin, Ireland having obtained an LLB law degree from Trinity College, Dublin University, Ireland. He became a Partner in the firm in 1970 and, in 1986, Chairman and Senior Partner. He specialised in international corporate and financial law and had extensive transaction experience in many different jurisdictions. He retired from legal practice in 2004 and has been a director of the Group since that time.

Johan Gorter

Johan Gorter was appointed director of the Group in 2016. Mr. Gorter joined PLM in 1998 as plant director for the Dongen glass plant. He then held several management positions within Rexam before he joined the Group in 2007 as Group Director for Continuous Improvement. He was Chief Executive Officer of Glass Packaging Europe from 2011 to 2019 and Chief Executive Officer of Glass Packaging from 2017 to 2019. From 2020 to 2021, Mr. Gorter was Chairman of Glass Packaging North America. Mr. Gorter holds a Masters in Industrial Engineering from the University of Eindhoven.

Abigail Blunt

Abigail Blunt currently serves at Strategic Advisor for Government and ESG Affairs and Advisor to the Board of the Kraft Heinz Company. Prior to transitioning to this role in October 2021, Mrs. Blunt served as Global Head of Government Affairs for the Kraft Heinz Company and it's predecessor organization Kraft Foods Group since 2012, and as a Sr. Director of Kraft Foods Global. Earlier in her career, Mrs. Blunt gained extensive legislative and political experience as Finance Director of the National Republican Congressional Committee, Deputy Director of the Bush Reelection Committee, Foundation Director at the US Chamber of Commerce and a legislative aide at the US House of Representatives. Mrs. Blunt was named by Washingtonian Magazine as one of "Washington's Most Influential People" in 2021. She also serves as a member of The Economic Club of Washington. Mrs. Blunt joined the Board in 2020 as an independent director and is a member of the Sustainability Committee.

Yves Elsen

Yves Elsen is CEO and managing partner of HITEC Luxembourg S.A., a Luxembourg-based industrial and technology company serving contractors in over 20 countries around the world. Prior to this, Mr. Elsen founded and led SATLYNX S.A.., following extensive experience with listed satellite operator SES—Société Européenne des Satellites S.A. He was a member of the supervisory board of Villeroy & Boch AG from 2013 to 2019 and its Chairman from 2017. Mr. Elsen is Chairman of the board of governors of the University of Luxembourg. Mr. Elsen joined the Board in 2020 as an independent director and is a member of the Audit Committee.

The Rt. Hon. the Lord Hammond of Runnymede

The Rt Hon. the Lord Hammond of Runnymede has had a distinguished career in British politics. A Member of Parliament of the United Kingdom from 1997 to 2019, he held a range of ministerial offices, most recently serving as Chancellor of the Exchequer from 2016 to 2019. Prior to this, he served as Foreign Secretary from 2014 to 2016, as Defense Secretary from 2011 to 2014 and as Transport Secretary from 2010 to 2011. Lord Philip Hammond joined the Board in 2019 as an independent director and is a member of the Audit Committee.

Damien O'Brien

Damien O'Brien has served as CEO of Egon Zehnder from 2008 to 2014 and as its Chairman from 2010 to 2018. Mr. O'Brien joined Egon Zehnder in 1988 and since then he has been based in Australia, Asia and Europe. He is also a member of the boards of IMD Business School in Lausanne, Switzerland, and St. Vincents Health Australia. He joined the Board in 2017 as an independent director and is Chairman of the Audit Committee.

Hermanus Troskie

Hermanus Troskie has been a director of Ardagh since 2009. Mr. Troskie is the CEO of Corporate, Legal and Tax Advisory at Stonehage Fleming, the international Family Office. He has extensive experience in the areas of international corporate structuring, cross-border financing and capital markets, with a particular interest in integrated structuring for entrepreneurs and their businesses. Mr. Troskie is a director of companies within the Yeoman group of companies, and other private and public companies. He qualified as a South African Attorney in 1997, and as a Solicitor of the Senior Courts of England and Wales in 2001. Mr. Troskie is based in Luxembourg.

Edward White

Edward White has been an Executive Professor of Finance in the Mays Business School at Texas A&M University since 2014. He was formerly a Senior Vice President and the Chief Financial Officer of Owens-Illinois, Inc. for seven years until his retirement in 2012. During his 38-year career with O-I, he worked in a variety of management roles across finance, manufacturing and marketing. His international experiences included senior management positions as an expatriate in Finland, Poland, France and Switzerland. Mr. White holds a Masters in Business Administration from the University of Hawaii and a Bachelors in Business Administration from Indiana University. He joined the Board in 2017 as an independent director and is a member of the Audit Committee.

Committees of the Board of Directors

Our board of directors has six standing committees: an executive committee, an audit committee, a compensation committee, a nominating and governance committee, a finance committee and a sustainability committee. The members of each committee are appointed by the board of directors and serve until their successors are elected and qualified, unless they are earlier removed or they resign. Each of the committees report to the board of directors as it deems appropriate, and as the board may request. The composition, duties and responsibilities of the six standing committees are set forth below. In the future, our board of directors may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Executive Committee

The board of directors has established an executive committee that oversees the management of the business and affairs of the Company. Paul Coulson, Michael Dick, Oliver Graham, Gerald Moloney, Shaun Murphy and John Sheehan serve on the executive committee as of the date of this annual report, with Paul Coulson serving as the chair of the executive committee.

Audit Committee

Our audit committee consists of Damien O'Brien, Yves Elsen, The Rt. Hon. the Lord Hammond of Runnymede and Edward White, with Damien O'Brien serving as the chair of the audit committee.

Our audit committee, among other matters, oversees (1) our financial reporting, auditing and internal control activities; (2) the integrity and audits of our financial statements; (3) our compliance with legal and regulatory requirements; (4) the qualifications and independence of our independent auditors; (5) the performance of our internal audit function and independent auditors; and (6) our overall risk exposure and management. Duties of the audit committee include the following:

- annually review and assess the adequacy of the audit committee charter and the performance of the audit committee;
- be responsible for recommending the appointment, retention and termination of our independent auditors and determine the compensation of our independent auditors;
- review the plans and results of the audit engagement with the independent auditors;
- evaluate the qualifications, performance and independence of our independent auditors;
- have authority to approve in advance all audit and non-audit services by our independent auditors, the scope and terms thereof and the fees therefor;
- review the adequacy of our internal accounting controls; and
- meet at least quarterly with our executive officers, internal audit staff and our independent auditors in separate executive sessions.

The audit committee has the power to investigate any matter brought to its attention within the scope of its duties and to retain counsel for this purpose where appropriate.

Compensation Committee

Our compensation committee consists of Paul Coulson, Brendan Dowling, Damien O'Brien and Hermanus Troskie, with Paul Coulson serving as the chair of the compensation committee.

The compensation committee has the sole authority to retain, and terminate, any compensation consultant to assist in the evaluation of employee compensation and to approve the consultant's fees and the other terms and conditions of the consultant's retention. The compensation committee, among other matters:

- assists our board of directors in developing and evaluating potential candidates for executive officer positions and overseeing the development of executive succession plans;

- administers, reviews and makes recommendations to our board of directors regarding our compensation plans;

- annually reviews and approves our corporate goals and objectives with respect to compensation for executive officers and, at least annually, evaluates each executive officer's performance in light of such goals and objectives to sets his or her annual compensation, including salary, bonus and equity and non-equity incentive compensation, subject to approval by our board of directors; and

- provides oversight of management's decisions regarding the performance, evaluation and compensation of other officers.

Nominating and Governance Committee

Our nominating and governance committee consists of Paul Coulson, Brendan Dowling and Houghton Fry, with Paul Coulson serving as the chair of the nominating and governance committee. The nominating and governance committee, among other matters:

- selects and recommends to the board of directors nominees for election by the shareholders or appointment by the board;

- annually reviews with the board of directors the composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity of the board members;

- makes recommendations on the frequency and structure of board meetings and to monitor the functioning of the committees of the board;

- develops and recommends to our board of directors a set of corporate governance guidelines applicable to us and, at least annually, reviews such guidelines and recommends changes to our board of directors for approval as necessary; and

- oversees the annual self-evaluation of our board of directors.

Finance Committee

Our finance committee consists of Paul Coulson, Brendan Dowling, Cormac Maguire, John Sheehan and Hermanus Troskie with Paul Coulson serving as the chair of the finance committee. The finance committee, among other matters,

- reviews and monitors the capital structure, financial policies and treasury function of the Company and makes recommendations to the board of directors in relation thereto; and

- reviews and recommends to the board of directors whether to approve financing agreements or arrangements, including plans to issue, incur, amend, repurchase, redeem or repay, as applicable, indebtedness.

Sustainability Committee

The sustainability committee consists of Shaun Murphy, Abigail Blunt, Oliver Graham, John Sadlier (the Group's Chief Sustainability Officer) and John Sheehan, with Shaun Murphy serving as the chair of the sustainability committee. The meetings of the sustainability committee will be attended by the CEOs of Ardagh Metal Packaging Europe and Americas and Ardagh Glass Packaging Europe and North America, as well as our Chief Risk Officer and our Chief Human Resources Officer. The sustainability committee, among other matters:

- assists the board of directors in fulfilling its oversight responsibility for the Company's environmental and social sustainability objectives;

- makes recommendations to the board of directors relating to environmental and social sustainability matters;

- develops and oversees the implementation of a sustainability strategy; and
- advises the board of directors periodically with regard to current and emerging environmental and social sustainability developments.

Code of Conduct

Our board of directors has adopted a code of conduct that establishes the standards of ethical conduct applicable to all of our directors, officers, employees, consultants and contractors. The code addresses, among other things, competition and fair dealing, conflicts of interest, financial matters and external reporting, compliance with applicable governmental laws, rules and regulations, company funds and assets, confidentiality and the process for reporting violations of the code, employee misconduct, conflicts of interest or other violations. Any waiver of the code with respect to any director or executive officer will be promptly disclosed and posted on our website. Amendments to the code will be promptly disclosed and posted on our website. The code is publicly available on our website at http://ardaghgroup.com/investors.

Corporate Governance Guidelines

Our board of directors has adopted corporate governance guidelines that serve as a flexible framework within which our board of directors and its committees operate. These guidelines cover a number of areas including the size and composition of the board, board membership criteria and director qualifications, director responsibilities, board agenda, roles of the chairman of the board and chief executive officer, meetings of independent directors, board member access to management and independent advisors, director communications with third parties, director compensation, director orientation and continuing education, evaluation of senior management and management succession planning. Our nominating and governance committee will review our corporate governance guidelines periodically and, if necessary, recommend changes to our board of directors.

Major Shareholders and Related Party Transactions

Major Shareholders and Related Party Transactions

Major shareholders

We have two classes of common shares: Class A common shares and Class B common shares. The rights of the holders of our Class A common shares and Class B common shares are identical except for par value, voting and conversion rights. Each Class A common share is entitled to one vote per share. Each Class B common share is entitled to ten votes per share. Each Class B common share is convertible at any time, at the option of the holder, into one Class A common share, and subject to certain exceptions, is converted into one Class A common share upon transfer to a third party.

The following table sets forth information with respect to the beneficial ownership of our outstanding shares as of December 31, 2021:

	Shares Beneficially Owned				
	Class A common shares(i)		Class B common shares		% of Total Voting Power
Name of Beneficial Owner	**Shares**	**%**	**Shares**	**%**	
ARD Finance S.A.(ii)	—	—	181,826,382	82.4%	83.4%
ARD Group Finance Holdings S.A.(iii)	—	—	35,869,618	16.3%	16.5%
Other	2,916,809	1.3%	—	—	0.1%

(i) Class A common shares represent 1.3% of the Company's outstanding shares.

(ii) ARD Finance S.A. is a 100% subsidiary of the Parent Company.

(iii) ARD Group Finance Holdings S.A. is a 100% subsidiary of the Parent Company.

The Parent Company may be deemed to be the ultimate beneficial owner of the Class B common shares held by ARD Finance S.A. and ARD Group Finance Holdings S.A. The Parent Company has approximately 400 record shareholders and a board of directors consisting of 9 directors. At the date of this report, the Parent Company is controlled by Paul Coulson, our Chairman, as a result of his 19.24% stake in the Parent Company and his 52.42% stake in Yeoman Capital S.A., which in turn owns 34.42% of the equity interests in the Parent Company.

Related Party Information

Relationship with our Parent Company

Our shares are currently owned indirectly by our Parent Company. Our Parent Company continues to exercise control over the composition of our board of directors and any other action requiring the approval of our shareholders.

Shareholder Agreement

In connection with our IPO, we entered into the Shareholder Agreement. The Shareholder Agreement addresses, among other things:

(i) Matters relating to the assumption, indemnification and allocation of benefits and responsibilities and mutual release of liabilities in connection with arrangements and other obligations with respect to our business that were entered into by our Parent Company prior to our IPO;

(ii) Our obligation to cooperate in providing information to our Parent Company and taking such other actions reasonably requested to facilitate the Parent Company's ability to manage its investment in the Company and comply with governmental or contractual obligations, including reporting obligations under the 6.625%/7.125% Senior Secured Toggle Notes due 2023 (collectively, the "2023 Toggle Notes") or any replacement notes thereof, the defense of litigation, the preparation of tax returns, financial statements or documents required to be filed with the SEC or any regulatory authority (including any stock exchange), or the management of any tax audits;

(iii) Our acknowledgement that there is anticipated at a future date a Reorganization Event (defined as an event in which the shareholders of the Parent Company and/or its subsidiaries will receive direct ownership in a number of our common shares (in proportion to their respective ownership interest in the Parent Company and/or its subsidiaries), whether by dividend, distribution, exchange offer or other means; provided that the aggregate number of Class B common shares received by such shareholders in such event shall be substantially the same as or fewer than (adjusting for fractional shares) the number of the Class B common shares owned by the Parent Company and/or its subsidiaries immediately prior to the date of such event) and our agreement to take such actions as are necessary to implement the Reorganization Event at our cost;

(iv) Our intention to pay dividends to all shareholders in amounts that will, at a minimum, be sufficient to enable the Parent Company to satisfy the cash interest payment obligations under the 2023 Toggle Notes or any replacement notes thereof in accordance with applicable laws, contractual obligations and our Articles; and

(v) Our agreement, so long as the 2023 Toggle Notes or any replacement notes thereof, are outstanding, not to, and not to permit our subsidiaries to, agree to restrictions on the payment of dividends that are materially more restrictive than the restrictions in place under any contract or agreement existing on the closing date of our IPO, unless such restriction would not have a material adverse effect on our ability to pay dividends as described in the preceding clause (iv) (such determination to be made at the time such restrictions are entered into).

Relationship with AMP

We hold approximately 75.3% of the common shares of AMP. We continue to exercise control over the composition of the board of directors of AMP and any other action requiring the approval of its shareholders.

Business Combination Agreement

On February 22, 2021, GHV, AMP, AGSA and MergeCo entered into the Business Combination Agreement pursuant to which the Business Combination was consummated and, following the Merger of GHV with and into MergeCo, GHV became a direct wholly owned subsidiary of AMP.

In connection with the consummation of the Business Combination, AGSA (i) retained an approximate 81.85% interest in AMP, (ii) received aggregate cash consideration of $2,315 million, paid upon the consummation of the AMP Transfer in cash and in equivalent U.S. dollars or euros (or a combination thereof) and $997 million, paid in cash at the closing of the Merger, and (c) has the right to receive, during the five-year period commencing 180 days after the closing of the Merger, up to 60,730,000 additional AMP common shares in five equal installments if the price of AMP common shares maintains for a certain period of time a volume weighted average price greater than or equal to $13.00, $15.00, $16.50, $18.00 and $19.50, as applicable.

The Business Combination Agreement contains customary representations and warranties, covenants, closing conditions, termination provisions and other terms relating to the transactions contemplated thereby.

Transfer Agreement

On February 22, 2021, AGSA and AMP entered into a Transfer Agreement, pursuant to which AGSA agreed to effect the AMP Transfer through a series of transactions that resulted in, among other things, AMP owning the AMP Business prior to April 1, 2021. The AMP Transfer was consummated on April 1, 2021.

The Transfer Agreement requires AMP to indemnify AGSA and its affiliates for losses arising from AMP's business (including employee liabilities) and requires AGSA to indemnify AMP for losses arising from the Ardagh Group's business (including employee liabilities). The Transfer Agreement provides for other transactions, including the settlement of intercompany payables and receivables and the termination or transfer of various obligations and liabilities (including credit and support obligations) of the AMP Entities in favor of the Ardagh Group's business, and of the Ardagh Group in favor of the AMP's business.

In addition, the Transfer Agreement contains non-competition and employee non-solicitation obligations of both AMP and AGSA. For a period commencing at April 1, 2021 and ending on the earlier of (i) April 1, 2026 or (ii) the date on which AGSA no longer is the beneficial owner of more than 50% of the voting stock of AMP, AGSA and its subsidiaries (excluding any AMP Entity) will not engage in AMP's business as conducted on the date of the Transfer Agreement with the exception of services provided under the Services Agreement (as defined below), and AMP and its subsidiaries will not engage in the Ardagh Group's businesses as conducted on the date of the Transfer Agreement with the exception of services provided under the Services Agreement. For a period commencing at April 1, 2021 and ending on the earlier of (i) the second anniversary of the closing of the Merger or (ii) the date on which AGSA no longer is the beneficial owner of more than 50% of the voting stock of AMP, none of AGSA or its subsidiaries (excluding any AMP Entity) will solicit for employment or hire any AMP Employee (as defined in the Transfer Agreement) with an annual base salary or wages greater than €150,000, subject to certain exceptions. Similarly, for the same period, none of AMP or its subsidiaries will solicit for employment or hire any employee of the Ardagh Group with an annual base salary or wages greater than €150,000, subject to certain exceptions.

Services Agreement

In connection with the AMP Transfer, AGSA and AMP entered into a Services Agreement, pursuant to which AGSA, either directly or indirectly through its affiliates, shall provide certain corporate and business-unit services to AMP and its subsidiaries, and AMP, either directly or indirectly through its affiliates, shall provide certain corporate and business-unit services to AGSA and its affiliates (other than the AMP Entities). The services provided pursuant to the Services Agreement include typical corporate functional support areas in order to complement the activities in areas which exist within the AMPSA Group (as defined in the Services Agreement). For each calendar year from 2021 through 2024, as consideration for the corporate services provided by AGSA, AMP has incurred an expense from AGSA of $33 million for the calendar year 2021 (prorated to reflect the timing of the completion of the AMP Transfer), and will incur an expense from AGSA of $38 million for calendar year 2022, $39 million for calendar year 2023 and $39 million for calendar year 2024. The fees for services pursuant to the Services Agreement are subject to adjustment for third party costs and variations for certain volume-based services. As of December 31, 2024, or if earlier, the date upon which AMP or AGSA undergoes a change of control, all corporate services provided pursuant to the Services Agreement will be provided at a price equal to the fully allocated cost of such services, or such other price to be negotiated in good faith by the parties, taking into consideration various factors, including the cost of providing such corporate services and the level of services expected to be provided.

Shareholders Agreement

In connection with the completion of the Merger, AGSA and AMP entered into the Shareholders Agreement, pursuant to which, among other things, AGSA has the right to nominate nine directors to the AMP's board of directors, of whom (i) one will initially be the current Chief Executive Officer of AGSA, who will serve as chairperson of the board; and (ii) at least three shall satisfy the independence requirements of NYSE. Two independent directors will be appointed upon proposal for nomination by the GHV Sponsor as Class I directors pursuant to the terms of the Business Combination Agreement. In addition, for so long as AGSA holds at least 20% of the outstanding Shares, AGSA will also have the right to: (A) nominate a number of directors to the AMP's board of directors at least proportional to the number of outstanding Shares owned by AGSA; (B) designate the chairperson of the board of directors of AMP (who need not be a nominee of AGSA); and (C) appoint a number of representatives to each committee of the board of AMP that is at least proportional to the number of outstanding AMP common shares owned by AGSA. In addition, for so long as AGSA holds at least 40% of the outstanding AMP common shares, the following actions may not be taken (or agreed to be taken) by AMP without the prior written consent of AGSA: (a) the sale of greater than 40% of the assets or voting securities of AMP (with certain exceptions); (b) voluntary liquidation or dissolution of AMP; (c) any amendment of AMP's Articles that materially and adversely affects AGSA in its capacity as a shareholder; (d) relocation of AMP's corporate headquarters; (e) change to AMP's corporate name; or (f) any corporate action that would materially adversely affect any of the foregoing approval rights.

Registration Rights and Lock-Up Agreement

In connection with the closing of the Merger, AMP, AGSA, GHV Sponsor, Gores Pipe, LLC and GHV's independent directors (such directors, together with GHV Sponsor and Gores Pipe, LLC, the "Initial Stockholders") entered into the Registration Rights and Lock-Up Agreement, which provides customary demand and piggyback registration rights. Pursuant to the Registration Rights and Lock-Up Agreement, AMP agreed that, as soon as practicable, and in any event within 30 days after the closing of the Merger, which occurred on August 4, 2021, it will file with the SEC (at AMP's sole cost and expense) a registration statement registering the resale of any outstanding AMP common shares or any other equity security held by a party to the Registration Rights and Lock-Up Agreement and any other equity security of AMP issued or issuable with respect to any such AMP common share by way of a dividend or stock split in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise, and AMP will use its reasonable efforts to have the registration statement declared effective as soon as practicable after the filing thereof, but no later than the 60th day (or the 90th day if the registration statement is reviewed by, and received comments from, the SEC) following the filing deadline. Such registration statement was declared effective by the SEC on August 23, 2021.

Subject to certain exceptions, including in connection with certain exchanges involving AGSA shareholders, AGSA was not permitted to transfer any AMP common shares beneficially owned or owned of record by it and the Initial Stockholders were not permitted to transfer AMP common share or AMP warrants beneficially owned or owned of record by such Initial Stockholder during certain lock-up periods, which have expired.

Indemnification Letter Agreement

On May 21, 2021, AMP entered into a letter agreement with AGSA, pursuant to which AGSA agreed to indemnify, defend and hold harmless AMP 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 that was discovered by AGSA in May 2021 and is further described in "Operating and Financial Review —Cyber Security Incident" in this annual report. No claim submitted to AGSA after March 31, 2022 is eligible for indemnification pursuant to the letter agreement and in no event will AGSA's aggregate liability for indemnification claims pursuant to the letter agreement exceed $150 million. The letter agreement incorporates by reference, among other things, the limitations on indemnification and procedures for seeking indemnification contained in the Transfer Agreement.

Related Party Transactions

For additional information, see "*Note 27 – Related Party Information*" to the audited consolidated financial statements included elsewhere in this annual report. There have been no materially significant related party transactions in the period since the date of approval of the financial statements included elsewhere in this annual report.

Toggle Notes

In November 2019, the Parent Company issued (i) $1,130 million aggregate principal amount of 6.500% / 7.250% Senior Secured Toggle Notes due 2027 (the "Dollar Toggle Notes"), and (ii) €1,000 million aggregate principal amount of 5.000% / 5.750% Senior Secured Toggle Notes due 2027 (the "Euro Toggle Notes"), collectively, the "Toggle Notes". The Toggle Notes, which were used, inter alia, to redeem the 2023 Toggle Notes, are senior obligations of the Parent Company and are not obligations of ours or of our subsidiaries. However, we expect the Parent Company to direct our affairs so as to comply with the customary covenants and events of default of the Toggle Notes which include restrictions on the Parent Company's ability to incur debt, grant liens and make investments.

Interest on the Toggle Notes is payable entirely in cash, except as set forth below:

If the Cash Available for Debt Service (as defined below) for an interest period:

(i) is equal to or exceeds 75%, but is less than 100% of the aggregate amount of cash interest payable, then the Parent Company may, at its option, elect to pay interest on up to 25% of the then outstanding principal amount of the Toggle Notes by increasing the principal amount of the outstanding Toggle Notes or by issuing additional Toggle Notes in a principal amount equal to such interest ("Parent PIK Interest");

(ii) is equal to or exceeds 50%, but is less than 75%, of the aggregate amount of cash interest payable, then the Parent Company may, at its option, elect to pay interest on up to 50% of the then-outstanding principal amount of the Toggle Notes as Parent PIK Interest;

(iii) is equal to or exceeds 25%, but is less than 50%, of the aggregate amount of cash interest payable, then the Parent Company may, at its option, elect to pay interest on up to 75% of the then outstanding principal amount of the Toggle Notes as Parent PIK Interest; or

(iv) is less than 25% of the aggregate amount of cash interest payable, then the Parent Company may, at its option, elect to pay interest on up to 100% of the then-outstanding principal amount of the Toggle Notes as Parent PIK Interest.

"Cash Available for Debt Service" is defined as the amount equal to the sum (without duplication) of (i) all cash and cash equivalents held at the Parent Company, subject to certain exceptions and (ii) the maximum amount of all dividends and other distributions that would be lawfully permitted to be paid to the Parent Company, if any, for the purpose of paying cash interest by all of the Parent Company's restricted subsidiaries after giving effect to all corporate, shareholder or other comparable actions (including fiduciary and other directors' duties) required in order to make such payment, requirements under applicable law and all restrictions or limitations on the ability to make such dividends or distributions that are otherwise permitted by certain restrictive covenants and provisions in financing or other contractual arrangements of our subsidiaries.

At any time prior to November 15, 2022, the Parent Company may redeem the Toggle Notes at 100% of their principal amount plus accrued and unpaid interest, if any, and any other amounts payable thereon, to the dates of redemption (excluded), plus the applicable "make-whole" redemption premium. Except as provided under the mandatory redemption provision described below, at any time on or after November 15, 2022, the Parent Company may also redeem all or part of the Dollar Toggle Notes at 103.250% and/or all or part of the Euro Toggle Notes at 102.500%, each with the premium declining after that date.

At any time prior to November 15, 2022, the Parent Company is required to make an offer to purchase the Dollar Toggle Notes or the Euro Toggle Notes with the net cash proceeds certain sales by the Parent Company or certain holding companies of the Parent Company of our common shares at a purchase price of (i) at least 104% of the principal amount of the notes being repurchased, plus accrued and unpaid interest to the purchase date.

To facilitate making certain transactions in compliance with covenants of the Toggle Notes, the Parent Company may from time to time deposit amounts into an escrow account. These amounts will be applied to fund offers to purchase and redemptions of the Toggle Notes. On November 15, 2022, the Parent Company will be required to use any funds remaining in the escrow account to repurchase Toggle Notes at a purchase price equal to 104% of the principal amount of the Toggle Notes being repurchased, plus accrued and unpaid interest to the purchase date.

At any time on or after November 15, 2022, the Parent Company shall redeem the Dollar Toggle Notes and Euro Toggle Notes with the net cash proceeds from certain sales by the Parent Company or certain holding companies of the Parent Company of our common shares at a purchase price of 103.250% for the Dollar Toggle Notes and 102.500% for the Euro Toggle Notes, each with the premium declining after that date, plus accrued and unpaid interest, if any, to the redemption date (excluded).

In an event treated as a change of control, the Parent Company must make an offer to purchase all outstanding Toggle Notes at a redemption price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

In addition, our Parent Company is required to beneficially own, directly or indirectly, at least 80% of the total voting power and 67% of the economic rights, in our common shares.

The Toggle Notes issued by the Parent Company are secured by pledge on all our issued qualified Class B common shares.

Policy Concerning Related Party Transactions

Our board of directors has adopted a written policy, which we refer to as the related party transactions policy, for the review of any transaction, arrangement or relationship in which we are a participant, if the amount involved exceeds $120,000 and one of our executive officers, directors or beneficial owner of more than 5% of Class A common shares or Class B common shares (or their immediate family members), each of whom we refer to as a related person, has a direct or indirect material interest.

INDEX TO THE FINANCIAL STATEMENTS

Ardagh Group S.A.

Audited Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors of Ardagh Group S.A.

Opinion on the Non-Statutory Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Ardagh Group S.A. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, including the related notes (collectively referred to as the "non-statutory consolidated financial statements"). In our opinion, the non-statutory consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These non-statutory consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's non-statutory consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the relevant ethical requirements relating to our audit, which include the Code of Ethics issued by Chartered Accountants Ireland ("CAI").

We conducted our audits of these non-statutory consolidated financial statements in accordance with the auditing standards of the PCAOB and in accordance with the ethical requirements of the Code of Ethics issued by CAI. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-statutory consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the non-statutory consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the non-statutory consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the non-statutory consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors as a body in accordance with our engagement letter dated February 17, 2022 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the non-statutory consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the non-statutory consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the non-statutory consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill Impairment Assessment for the Glass Packaging North America Cash Generating Unit

As described in Note 2 and Note 8 to the consolidated financial statements, the Company's consolidated goodwill balance was $1,237 million at December 31, 2021. The goodwill associated with the Glass Packaging North America Cash Generating Unit ("CGU") was $165 million after the recognition of an impairment charge of $395 million at December 31, 2021. The Company performs its impairment test of goodwill annually following approval of the annual budget or whenever indicators suggest that impairment may have occurred. If an impairment indicator exists for a CGU, the Company establishes the recoverable amount as being the higher of the value in use ("VIU") and fair value less costs of disposal ("FVLCD") when compared to the carrying value of the CGU. At December 31, 2021, management has determined the recoverable amount of the Glass Packaging North America CGU by assessing the FVLCD of the underlying assets using a market approach, on the basis that this gave a higher recoverable amount than an assessment based on VIU. Management's key assumptions in the FVLCD calculations for the Glass Packaging North America CGU included adjustments to forecasted full year 2022 results for projected inflationary input costs increases and the extent to which these can be recovered from customers, increases in available production capacity, and the effects of future restructuring as part of estimating the projected Adjusted EBITDA from a market participant's perspective. A multiple of 6.5x was then applied to the market participant projected Adjusted EBITDA, based on comparable companies and market transactions, which was further adjusted for selling costs.

The principal considerations for our determination that performing procedures relating to goodwill impairment assessment for the Glass Packaging North America CGU is a critical audit matter are the significant judgment exercised by management when developing the recoverable amount of the CGU and in calculating the impairment charge. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's FVLCD calculations and significant assumptions, related to projected inflationary input costs increases and the extent to which these can be recovered from customers, increases in available production capacity and the effects of future restructuring in estimating the projected Adjusted EBITDA from a market participant's perspective, and the EBITDA multiple used in the impairment test. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over management's forecasting process used in the valuation of the Glass Packaging North America CGU and over the FVLCD model. These procedures also included, among others, testing management's process for developing the recoverable amount; testing the completeness, accuracy, and relevance of the model, the underlying data used in the calculations and management's disclosures; and evaluating the significant assumptions used by management, including the projected inflationary input cost increases and the extent to which these can be recovered from customers, increases in available production capacity and the effects of future restructuring as part of estimating the projected adjusted EBITDA from a market participant's perspective, and the EBITDA multiple applied in the impairment calculation. Evaluating management's significant assumptions involved (i) performing a retrospective comparison of forecasted results to actual past performance, (ii) comparing significant assumptions to external market and industry data, and (iii) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the EBITDA multiple.

Accounting for the merger with Gores Holdings V. under IFRS 2 measurement of the resulting non-controlling interest in AMPSA

As described in notes 1, 21 and 24 to the consolidated financial statements, on August 4, 2021, the Company consummated a merger by and among the Company, Ardagh Metal Packaging ("AMPSA"), Ardagh MP MergeCo Inc., a wholly owned subsidiary of AMPSA ("MergeCo") and Gores Holdings V Inc, ("GHV") under which the business of AMPSA was merged with that of GHV. The merger was accounted for under the scope of IFRS 2 Share-based Payment ("IFRS 2"). Management exercised significant judgment when accounting for the transaction under IFRS 2. Management used the market value of the GHV equity and warrants as the basis for estimating the market value of the instruments to be issued by AMPSA in exchange for the shares and warrants in GHV. All warrants previously exercisable for the purchase of shares in GHV were converted into AMPSA warrants and recognized as a financial liability measured at fair value. For the warrants issued to the former sponsors ("Private Warrants") a valuation was performed for the purpose of determining the financial liability. The valuation applied a Black Scholes model and key assumptions of the model included volatility and risk-free rate. The difference in the fair value of the equity instruments issued by AMPSA, over the fair value of the identifiable net assets of GHV of $205 million represents the cost of the service for listing the shares of AMPSA and is accounted for as a share-based payment expense in accordance with IFRS 2 at the closing date of the merger. Immediately following the consummation of the Merger and PIPE subscription, the Company held approximately 81.8% of AMPSA's issued shares. Management applied judgment in determining whether the resulting non-controlling interest in AMPSA ("NCI") should be measured at fair value or at the proportionate share of identifiable net assets. Management elected to measure the NCI as its proportionate share of AMPSA's net assets at the acquisition date. The NCI is not remeasured at fair value in subsequent periods but is allocated its share of profit or loss and its share of Other Comprehensive Income, including recognizing its share of the IFRS 2 charge.

The principal considerations for our determination that performing procedures relating to the *Accounting for the merger with Gores Holdings V. under IFRS 2 measurement of the resulting non-controlling interest in AMPSA* is a critical audit matter are the significant judgment exercised by management in 1) concluding that the accounting for the transaction was within the scope of IFRS 2, 2) estimating the market value of the instruments to be issued by AMPSA as consideration for the Merger, 3) determining the fair value of the GHV Private Warrants assumed including the significant assumptions of volatility and risk-free rate, and 4) measuring the NCI using the proportionate share of identifiable net assets . This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's accounting for the transaction and assessing the reasonableness of estimates. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's review of the determination of NCI, and that the allocation of its share of profit or loss and OCI has been correctly accounted for. Our procedures also included, among others, assessing management's conclusions that the accounting for the transaction was within the scope of IFRS2 including reading the relevant agreements. Procedures to assess the valuation of the GHV Private

Warrants included developing an independent point estimate, testing the underlying data used in the calculations and evaluating the significant assumptions, including volatility and risk-free rate. Evaluating management's estimates of the instruments to be issued by AMPSA involved (i) comparing significant estimates to external market data, and (ii) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of management's accounting conclusions and of the fair value calculation model and the significant assumptions related to volatility and risk-free rate. Other procedures performed included testing management's process for estimating the market value of the GHV net assets and identifying the proportionate share of AMPSA's net assets at the acquisition date. Evaluating management's assessment of the measurement of NCI involved (i) assessing the components of the assets acquired and the liabilities disposed; and (ii) identifying the proportionate share of AMPSA's net assets attributable to the non-controlling interest.

/s/ PricewaterhouseCoopers
Dublin, Ireland
February 24, 2022

We have served as the Company's auditor since at least 1968. We have not been able to determine the specific year we began serving as auditor of the Company or its predecessors.

ARDAGH GROUP S.A.
CONSOLIDATED INCOME STATEMENT

		Year ended December 31, 2021			Year ended December 31, 2020		
	Note	Before exceptional items $'m	Exceptional Items $'m	Total $'m	Before exceptional items $'m	Exceptional Items $'m	Total $'m
			Note 4			Note 4	
Revenue	3	7,577	—	7,577	6,731	—	6,731
Cost of sales		(6,469)	(34)	(6,503)	(5,679)	(19)	(5,698)
Gross profit		**1,108**	**(34)**	**1,074**	**1,052**	**(19)**	**1,033**
Sales, general and administration expenses		(372)	(422)	(794)	(350)	(31)	(381)
Intangible amortization and impairment	8	(237)	(395)	(632)	(235)	(8)	(243)
Operating (loss)/ profit		**499**	**(851)**	**(352)**	**467**	**(58)**	**409**
Net finance expense	5	(345)	(32)	(377)	(264)	(74)	(338)
Share of post-tax loss in equity accounted joint venture	11	(30)	(25)	(55)	(33)	(15)	(48)
(Loss)/Profit before tax		**124**	**(908)**	**(784)**	**170**	**(147)**	**23**
Income tax credit/(charge)	6	(46)	64	18	(63)	53	(10)
(Loss)/Profit from continuing operations		**78**	**(844)**	**(766)**	**107**	**(94)**	**13**
Profit from discontinued operation	25	–	–	–	–	22	22
(Loss)/Profit for the year		**78**	**(844)**	**(766)**	**107**	**(72)**	**35**
(Loss)/profit attributable to:							
Equity holders				(739)			35
Non-controlling interests				(27)			—
(Loss)/profit for the year				**(766)**			**35**

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

ARDAGH GROUP S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended December 31, 2021 $'m	2020 $'m
(Loss)/profit for the year		**(766)**	**35**
Other comprehensive income/(expense):			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
—Arising in the year		(12)	(74)
		(12)	**(74)**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		193	(24)
—Movement out of reserve to income statement		(45)	53
—Movement in deferred tax		(12)	(7)
		136	**22**
Loss recognized on cost of hedging:			
—New fair value adjustments into reserve		(1)	—
—Movement out of reserve		(5)	—
		(6)	**—**
Share of other comprehensive (expense)/income in equity accounted joint venture	11	**(15)**	**26**
Items that will not be reclassified to income statement			
—Re-measurement of employee benefit obligations	20	211	(68)
—Deferred tax movement on employee benefit obligations		(34)	24
		177	**(44)**
Share of other comprehensive income in equity accounted joint venture	11	**10**	**3**
Total other comprehensive income/(expense) for the year		**290**	**(67)**
Total comprehensive expense for the year		**(476)**	**(32)**
Attributable to:			
Equity holders		(461)	(32)
Non-controlling interests		(15)	—
Total comprehensive expense for the year		**(476)**	**(32)**
Attributable to equity holders:			
Continuing operations		(476)	(54)
Discontinued operation		–	22
Total comprehensive expense for the year		**(476)**	**(32)**

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

ARDAGH GROUP S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At December 31, 2021 $'m	2020 $'m
Non-current assets			
Intangible assets	8	2,065	2,756
Property, plant and equipment	9	3,696	2,945
Derivative financial instruments	19	12	9
Deferred tax assets	12	217	245
Investment in material joint venture	11	303	390
Employee benefit assets	20	78	–
Other non-current assets	10	28	73
		6,399	**6,418**
Current assets			
Inventories	13	1,103	923
Trade and other receivables	14	1,212	869
Contract assets	15	182	139
Derivative financial instruments	19	109	36
Cash, cash equivalents and restricted cash	16	2,909	1,267
		5,515	**3,234**
TOTAL ASSETS		**11,914**	**9,652**
Equity attributable to owners of the parent			
Issued capital	17	23	23
Share premium		1,292	1,292
Capital contribution		485	485
Other reserves		350	164
Retained earnings		(3,218)	(2,326)
		(1,068)	**(362)**
Non-controlling interests		44	1
TOTAL EQUITY		**(1,024)**	**(361)**
Non-current liabilities			
Borrowings	19	8,254	6,481
Lease obligations	19	341	283
Employee benefit obligations	20	637	811
Derivative financial instruments	19	4	26
Deferred tax liabilities	12	307	369
Provisions and other liabilities	21	90	55
		9,633	**8,025**
Current liabilities			
Borrowings	19	15	14
Lease obligations	19	99	83
Interest payable		50	43
Derivative financial instruments	19	14	104
Trade and other payables	22	2,188	1,579
Income tax payable		116	115
Provisions	21	46	50
Dividends payable	26	777	–
		3,305	**1,988**
TOTAL LIABILITIES		**12,938**	**10,013**
TOTAL EQUITY and LIABILITIES		**11,914**	**9,652**

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

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

	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
	Note 17										
At January 1, 2020	**23**	**1,292**	**485**	**165**	**(11)**	**11**	–	**(2,181)**	**(216)**	**1**	**(215)**
Profit for the year	–	–	–	–	–	–	–	35	35	–	35
Other comprehensive (expense)/income	–	–	–	(54)	27	1	–	(41)	(67)	–	(67)
Hedging losses transferred to cost of inventory	–	–	–	–	25	–	–	–	25	–	25
Dividends paid (Note 26)	–	–	–	–	–	–	–	(139)	(139)	–	(139)
At December 31, 2020	**23**	**1,292**	**485**	**111**	**41**	**12**	**–**	**(2,326)**	**(362)**	**1**	**(361)**
At January 1, 2021	**23**	**1,292**	**485**	**111**	**41**	**12**	–	**(2,326)**	**(362)**	**1**	**(361)**
Loss for the year	–	–	–	–	–	–	–	(739)	**(739)**	(27)	**(766)**
Other comprehensive (expense)/income	–	–	–	(32)	132	(6)	–	184	**278**	12	**290**
Hedging gains transferred to cost of inventory	–	–	–	–	(77)	–	–	–	**(77)**	(12)	**(89)**
Business combination - Non-controlling interest (Note 1, Note 24)	–	–	–	–	–	–	–	865	**865**	57	**922**
Business combination - Listing service (Note 24)	–	–	–	–	–	–	164	–	**164**	–	**164**
Share exchange offer - Non-controlling interest: (Note 17, Note 24)	–	–	–	–	–	–	(397)	374	**(23)**	18	**(5)**
Share exchange offer - Share cancellation: (Note 17, Note 24)	–	–	–	–	–	–	397	(397)	**–**	–	**–**
Re-attribution upon disposal of non-controlling interest (Note 24)	–	–	–	5	–	–	–	–	**5**	(5)	**–**
Dividends (Note 26)	–	–	–	–	–	–	–	(1,179)	**(1,179)**	–	**(1,179)**
At December 31, 2021	**23**	**1,292**	**485**	**84**	**96**	**6**	**164**	**(3,218)**	**(1,068)**	**44**	**(1,024)**

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

ARDAGH GROUP S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended December 31, 2021 $'m	2020 $'m
Cash flows from operating activities			
Cash generated from continuing operations	23	959	1,037
Interest paid		(329)	(296)
Income tax paid		(62)	(49)
Net cash from operating activities		**568**	**692**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1,045)	(532)
Purchase of intangible assets		(22)	(12)
Proceeds from disposal of property, plant and equipment		1	1
Purchase of businesses, net of cash acquired, and other		(16)	(3)
Loan issued to related party	27	(23)	–
Investing cash flows used in continuing operations		**(1,105)**	**(546)**
Proceeds from disposal of discontinued operation		–	32
Net cash used in investing activities		**(1,105)**	**(514)**
Cash flows from financing activities			
Proceeds from borrowings	19	2,766	4,068
Repayment of borrowings	19	(801)	(3,261)
Proceeds from issuance of non-controlling interest, net of costs	24	925	–
Costs paid in conjunction with exchange offer	24	(4)	–
Early redemption premium paid		(24)	(61)
Deferred debt issue costs paid		(40)	(39)
Lease payments	19	(116)	(93)
Dividends paid	26	(402)	(139)
Consideration paid on maturity of derivative financial instruments	19	(72)	–
Net cash inflow from financing activities		**2,232**	**475**
Net increase in cash and cash equivalents		**1,695**	**653**
Cash and cash equivalents at the beginning of the year	16	1,267	614
Exchange losses on cash and cash equivalents		(53)	—
Cash and cash equivalents at the end of the year	16	**2,909**	**1,267**

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

ARDAGH GROUP S.A.
NOTES TO THE CONSOLIDATED 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. 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.

On February 22, 2021, Ardagh announced its entry into a business combination agreement (the "Business Combination Agreement"), dated as of February 22, 2021, by and among Ardagh, Ardagh Metal Packaging, Ardagh MP MergeCo Inc., a newly formed Delaware corporation that is a wholly-owned subsidiary of AMP ("MergeCo") and Gores Holdings V Inc. ("Gores Holdings V"), pursuant to which the parties thereto agreed to effect the merger of MergeCo with and into Gores Holdings V, with Gores Holdings V being the surviving corporation as a wholly-owned subsidiary of AMP (the "Merger", and, together with the other transactions contemplated in the Business Combination Agreement, the "Business Combination") to create an independent, pure-play beverage can company.

In connection with the Business Combination, on March 12, 2021, two affiliates of the Group (the "Co-Issuers") issued green bonds of $2.8 billion equivalent, consisting of €450 million 2.000% Senior Secured Notes due 2028, $600 million 3.250% Senior Secured Notes due 2028, €500 million 3.000% Senior Notes due 2029 and $1,050 million 4.000% Senior Notes due 2029 (the "AMP Notes Issuance"). In connection with the AMP Notes Issuance, the Group designated the Co-Issuers and subsidiaries of AMP as unrestricted subsidiaries under its bond indentures and the Global Asset Based Loan Facility, and on April 1, 2021, the Group reduced the size of Global Asset Based Loan Facility from $700 million to $500 million in connection with such designation.

In connection with the Business Combination, the Group effected on April 1, 2021 a series of transactions that resulted in (a) the equity interests of Ardagh Packaging Holdings Limited, an Irish subsidiary of the Group, and certain other subsidiaries of the Group that are engaged in the metal beverage can business (the "AMP Business") being directly or indirectly owned by Ardagh Metal Packaging (all such entities collectively, the "AMP Entities") and (b) any assets and liabilities relating to the business of the Group (other than the AMP Business) that are held by the AMP Entities being transferred to subsidiaries of the Group that are not AMP Entities, and assets and liabilities relating to the AMP Business that are held by subsidiaries of the Group (other than the AMP Entities) being transferred to the AMP Entities (such transactions, collectively, the "AMP Transfer").

On August 4, 2021, in accordance with the terms of the Business Combination Agreement, the parties consummated the Merger and, pursuant to the terms of subscription agreements dated February 22, 2021, among AMP, Gores Holdings V and certain investors in a private placement (the "PIPE Investors"), the PIPE Investors subscribed for and purchased shares of AMP at a purchase price of $10 per share, for an aggregate cash amount of $695 million (the "PIPE Investment"), which included 9.5 million of shares acquired pursuant to the "back stop" provisions of the subscription agreement entered into by the Gores Holdings V sponsor. In addition, at the closing of the Merger all shares of Gores Holdings V Class A common stock outstanding immediately prior to the effective time of the Merger (after giving effect to any requested stockholder redemptions) were contributed to AMP in exchange for newly issued AMP shares, and all warrants exercisable for the purchase of shares in Gores Holdings V were converted into warrants exercisable for the purchase of shares in AMP. Following the consummation of the Merger and PIPE subscription, Ardagh held approximately 81.8% of the issued share capital of AMP.

On September 7, 2021, Ardagh launched an exchange offer, pursuant to which it offered 2.5 shares of AMP in exchange for each Class A common shares of Ardagh that was validly tendered and not withdrawn at the closing of the exchange offer on October 5, 2021. Approximately 84% of the total outstanding Class A common shares of Ardagh were exchanged, bringing Ardagh's ownership of AMP to approximately 75.3% and the public float to approximately 24.7%.

On October 6, 2021, Ardagh filed a Form 25 with the U.S. Securities and Exchange Commission (the "SEC") to voluntarily delist Ardagh's Class A common shares from the New York Stock Exchange ("NYSE") and the Class A common shares were suspended from trading on the NYSE on October 6, 2021. Following delisting of the Class A common shares, on October 18, 2021, Ardagh filed a Form 15 with the SEC to terminate the registration of its Class A common shares under Section 12(g) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), resulting in the automatic suspension of the Company's reporting obligations under Sections 13(a) and 15(d) of the Exchange Act.

The Group's metal packaging business is a leading supplier of beverage cans globally, with a particular focus on the Americas and Europe. The business supplies sustainable and infinitely recyclable metal packaging to a diversified customer base of leading global, regional and national beverage producers. The Group's metal packaging business operates 23 production facilities in Europe and the Americas, employs approximately 5,800 people and recorded revenues of $4.1 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). The transaction is subject to normal regulatory clearances, and is expected to complete in the second quarter of 2022.

These consolidated financial statements reflect the consolidation of the legal entities forming the Group for the periods presented. The principal operating legal entities forming the Group are listed in Note 27.

The principal accounting policies that have been applied to the consolidated financial statements are described in Note 2.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with, and are in compliance with, International Financial Reporting Standards ("IFRS") and related interpretations as adopted by the International Accounting Standards Board ("IASB"). IFRS is comprised of standards and interpretations approved by the IASB and IFRS and interpretations approved by the predecessor International Accounting Standards Committee that have been subsequently approved by the IASB and remain in effect. References to IFRS hereafter should be construed as references to IFRS as adopted by the IASB.

The consolidated financial statements, are presented in U.S. dollar, rounded to the nearest million and have been prepared under the historical cost convention except for the following:

- private and public warrants (see note 21)
- derivative financial instruments are stated at fair value; and
- employee benefit obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets valued at fair value.

The preparation of consolidated financial information in conformity with IFRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the process of applying Group accounting policies. These estimates, assumptions and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. However, actual outcomes may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are discussed in the critical accounting estimates, assumptions and judgments.

The consolidated financial statements for the Group were authorized for issue by the board of directors of Ardagh Group S.A. (the "Board") on February 23, 2022.

Going concern

At the date that the audited consolidated financial statements were approved for issue by the board of directors, the Board has formed the judgment that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, these audited consolidated financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Board has taken into account all available information about a period, extending to at least, December 31, 2022. In arriving at its conclusion, the Board has taken account of the Group's current and anticipated trading performance, together with current and anticipated levels of cash and net debt and the availability of committed borrowing facilities and as a result it is the Board's judgment that it is appropriate to prepare the audited consolidated financial statements using the going concern basis.

Recently adopted accounting standards and changes in accounting policies

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2021 have been assessed by the Directors and as a result, no new standards or amendments to existing standards effective January 1, 2021 have had a material impact for the Group.

Recent accounting pronouncements

The Board's 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 financial statements and disclosures is on-going but is not expected to have a material impact for the Group.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date on which control ceases. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is the consideration given in exchange for control of the identifiable assets, liabilities and contingent liabilities of the acquired legal entities. Acquisition-related costs are expensed and included as exceptional items within sales, general and administration expenses. The acquired net assets are initially measured at fair value. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Any goodwill and fair value adjustments are recorded as assets and liabilities of the acquired legal entity in the currency of the primary economic environment in which the legal entity operates (the "functional currency"). If the cost of acquisition is less than the fair value of the Group's share of the net assets of the legal entity acquired, the difference is recognized directly in the consolidated income statement. The Group considers obligations of the acquiree in a business combination that arise as a result of the change in control, to be cash flows arising from obtaining control of the controlled entity, and classifies these obligations as investing activities in the consolidated statement of cash flows.

(ii) Non-controlling interests

Non-controlling interests represent the portion of the equity of a subsidiary which is not attributable to the Group. Non-controlling interests are presented separately in the consolidated financial statements. Changes in ownership of a subsidiary which do not result in a change in control are treated as equity transactions. For further details please refer to Note 24.

(iii) Transactions eliminated on consolidation

Transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency

(i) Functional and presentation currency

The functional currency of the Company is euro. The consolidated financial statements are presented in U.S. dollar which is the Group's presentation currency.

(ii) Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the consolidated income statement, except: (i) differences on foreign currency borrowings that provide an effective hedge against a net investment in a foreign entity ("net investment hedges"), which are taken to other comprehensive income until the disposal of the net investment, at which time they are recognized in the consolidated income statement; and (ii) differences on certain derivative financial instruments discussed under "Derivative financial instruments" below.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into euro at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to euro at average exchange rates for the year. Gains or losses accumulated in other comprehensive income are recycled to the consolidated income statement when the foreign operation is disposed of.

Non-monetary items measured at fair value in foreign currency are translated using the exchange rates as at the date when the fair value is determined.

Business combinations and goodwill

All business combinations are accounted for by applying the acquisition method of accounting. This involves measuring the cost of the business combination and allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities assumed. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in sales, general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration is recognized at fair value at the acquisition date.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to those groups of cash-generating units ("CGUs") that are expected to benefit from the business combination in which the goodwill arose for the purpose of assessing impairment. Goodwill is tested annually for impairment or whenever indicators suggest that impairment may have occurred.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Joint ventures

The Group participates in a number of joint ventures where control is shared with one or more other parties. The Group's investment and share of results of joint ventures are shown within single line items in the consolidated statement of financial position and consolidated income statement respectively. The Group uses the equity method of accounting to account for its joint ventures. See Note 11 "Investment in material joint venture" to the consolidated financial statements.

Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of the business, geographical area of operations or is material to revenue or operating profit and has been disposed of or is held for sale. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the earliest period presented. Cash flows relating to discontinued operations are presented as a separate line item within each of the operating, investing and financing cash flow.

Intangible assets

Intangible assets are initially recognized at cost.

Intangible assets acquired as part of a business combination are capitalized separately from goodwill if the intangible asset is separable or arises from contractual or other legal rights. They are initially recognized at cost which, for intangible assets arising in a business combination, is their fair value at the date of acquisition.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The carrying values of intangible assets with finite useful lives are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The amortization of intangible assets is calculated to write off the book value of finite lived intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. Management estimates the useful lives within the following ranges:

Computer software	2 - 7 years
Customer relationships	5 - 15 years
Technology	5 - 15 years

(i) Computer software

Computer software development costs are recognized as assets. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

(ii) Customer relationships

Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships have a finite useful economic life and are carried at cost less accumulated amortization.

(iii) Technology

Technology based intangibles acquired in a business combination are recognized at fair value at the acquisition date and reflect the Group's ability to add value through accumulated technological expertise surrounding product and process development.

(iv) Research and development costs

Research costs are expensed as incurred. Development costs relating to new products are capitalized if the new product is technically and commercially feasible. All other development costs are expensed as incurred.

Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for land which is shown at cost less impairment. Spare parts which form an integral part of plant and machinery and which have an estimated useful economic life greater than one year are capitalized. Spare parts which do not form an integral part of plant and machinery and which have an estimated useful economic life less than one year are included as consumables within inventory and expensed when utilized.

Where components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

At the lease commencement date or the effective date of a lease modification, the Group recognizes a lease liability as the present value of expected future lease payments, discounted at the Group's incremental borrowing rate unless the rate implicit in the lease is readily determinable, excluding any amounts which are variable based on the usage of the underlying asset and a right-of-use asset generally at the same amount plus any directly attributable costs. The incremental borrowing rate is the discount rate the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group combines lease and non-lease components and accounts for them as a single lease component with the exception of the dunnage asset class. Extension options or periods after termination options are considered by management if it is reasonably certain that the lease will be extended or not terminated.

(iii) Subsequent costs

The Group recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing the component of such an item when that cost is incurred, if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When a component is replaced the old component is de-recognized in the period. All other costs are recognized in the consolidated income statement as an expense as incurred. When a major overhaul is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria above are met.

(iv) Depreciation

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	30 - 40 years
Plant and machinery including molds	2 - 40 years
Office equipment, vehicles and other including dunnage	3 - 25 years

Assets' useful lives and residual values are adjusted if appropriate, at each balance sheet date.

Impairment of non-financial assets

Assets that have an indefinite useful economic life are not subject to amortization and are tested annually for impairment or whenever indicators suggest that impairment may have occurred. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

For the purposes of assessing impairment, assets excluding goodwill and long-lived intangible assets, are grouped at the lowest levels at which cash flows are separately identifiable. Goodwill and long-lived intangible assets are allocated to groups of CGUs. The groupings represent the lowest level at which the related assets are monitored for internal management purposes.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The recoverable amount of other assets is the greater of their value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their current location and condition. In the case of finished goods and work-in-progress, cost includes direct materials, direct labor and attributable overheads based on normal operating capacity.

Net realizable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

Spare parts which are deemed to be of a consumable nature, are included within inventories and expensed when utilized.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, borrowings, trade and other payables and the Private and Public Warrants (see Note 21). Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(i) Trade and other receivables

Trade and other receivables are recognized initially at the transaction price and are, thereafter measured at amortized cost using the effective interest rate method less any provision for impairment, in accordance with the Group's held to collect business model. The Group uses estimates based on expected credit losses and current information in determining the level of debts for which an allowance for impairment is required. For all other trade receivables, the Group uses an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

Please refer to Note 14 for the recognition of an insurance recoverable.

(ii) Securitized assets

The Group has entered into securitization transactions involving certain of its trade receivables. The securitized assets are recognized on the consolidated statement of financial position, until all of the rights to the cash flows from those assets have expired or have been fully transferred outside the Group, or until substantially all of the related risks, rewards and control of the related assets have been transferred to a third party.

The Group has also entered into a Global Asset Based Loan Facility involving certain of its trade receivables and inventory. The lenders under the ABL have security over those receivables, inventory and the bank accounts where the associated cash flows are received. The risks, rewards and control of these assets are still retained by the Group and are, therefore, recognized on the statement of financial position.

(iii) Contract assets

Contract assets represent revenue required to be accelerated or recognized over time based on production completed in accordance with the Group's revenue recognition policy (as set out below). A provision for impairment of a contract asset will be recognized when there is evidence that the revenue recognized will not be recoverable. The provision is measured based on an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

(iv) Cash and cash equivalents

Cash and cash equivalents include cash on hand and call deposits held with banks and restricted cash. Cash and cash equivalents are carried at amortized cost.

Short term bank deposits of greater than three months' maturity which do not meet the definition of cash and cash equivalents are classified as financial assets within current assets and stated at amortized cost.

Restricted cash comprises cash held by the Group but which is ring-fenced or used as security for specific financing arrangements, and to which the Group does not have unfettered access. Restricted cash is measured at amortized cost.

(v) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the Group's consolidated income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group, has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(vi) Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income, allocated between cash flow hedge gains or losses and cost of hedging gains or losses. For cash flow hedges which subsequently result in the recognition of a non-financial asset, the amounts accumulated in the cash flow hedge reserve are reclassified to the asset in order to adjust its carrying value. Amounts accumulated in the cash flow hedge reserve and cost of hedging reserve, or as adjustments to carrying value of non-financial assets, are recycled to the consolidated income statement in the periods when the hedged item will affect profit or loss.

The gain or loss relating to the ineffective portion is recognized immediately in the consolidated income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains in equity and is recognized in the consolidated income statement when the forecast cash flow arises. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

(ii) Net investment hedges

Derivative financial instruments are classified as net investment hedges when they hedge changes in the Group's net investments in its subsidiaries due to exposure to foreign currency. Net investment hedges are accounted for in a similar manner to cash flow hedges. The gain or loss relating to the ineffective portion of a net investment hedge is recognized immediately in the consolidated income statement within finance income or expense.

(iii) Fair value hedges

Derivative financial instruments are classified as fair value hedges when they hedge the Group's exposure to changes in the fair value of a recognized asset or liability. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Group's consolidated income statement, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. Changes in the fair value of derivatives relating to the cost of hedging are recognized in other comprehensive income.

The gain or loss relating to the effective portion of derivatives with fair value hedge accounting is recognized in the consolidated income statement within "net finance expense". The gain or loss relating to the ineffective portion is also recognized in the consolidated income statement within "net finance expense". If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortized to profit or loss over the period to maturity.

When a hedging instrument expires or is sold, or when a fair value hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains in equity and is recognized in the consolidated income statement when the forecast cash flow arises. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

Fair value measurement

The Group measures financial instruments such as derivatives and pension assets at fair value at each balance sheet date. Fair value related disclosures for financial instruments and pension assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Notes 19 and 20)

- Quantitative disclosures of fair value measurement hierarchy (Note 19)

- Financial instruments (including those carried at amortized cost) (Note 19)

- Private and Public Warrants (Note 21)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Employee benefits

(i) Defined benefit pension plans

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs and past service credits are recognized immediately in the consolidated income statement.

(ii) Other long term employee benefits

The Group's obligation in respect of other long term employee benefit plans represents the amount of future benefit that employees have earned in return for service in the current and prior periods for post-retirement medical schemes, partial retirement contracts and long service awards. These are included in the category of employee benefit obligations on the consolidated statement of financial position. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the reporting date on high quality corporate bonds of a currency and term consistent with the currency and estimated term of the obligations. Actuarial gains and losses are recognized in full in the Group's consolidated statement of comprehensive income in the period in which they arise.

(iii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The contributions are recognized as employee benefit expense when they are due.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Revenue recognition

Our products include metal and glass containers primarily for beverage and food markets, where demand is consumer-driven. In addition to metal beverage cans, within the Ardagh Metal Packaging Europe and Ardagh Metal Packaging Americas reportable segments, the Group manufactures and supplies a wide range of can ends. Containers and ends are usually distinct items and can be sold separately from each other. A significant portion of our sales volumes are supplied under contracts which include input cost pass-through provisions.

The Group usually enters into framework agreements with its customers, which establish the terms under which individual orders to purchase goods or services may be placed. As the framework agreements do not identify each party's rights regarding the goods or services to be transferred, they do not create enforceable rights and obligations on a stand-alone basis. Therefore, the Group has concluded that only individual purchase orders create enforceable rights and obligations and meet the definition of a contract. The individual purchase orders have, in general, a duration of one year or less and, as such, the Group does not disclose any information about remaining performance obligations under these contracts. The Group's payment terms are in line with customary business practice, which can vary by customer and region. The Group has availed of the practical expedient from considering the existence of a significant financing component as, based on past experience, we expect that, at contract inception, the period between when a promised good is transferred to the customer and when the customer pays for that good will be one year or less.

Revenue is recognized when control of a good or service has transferred to the customer. For certain contracts in the Ardagh Metal Packaging Europe and Ardagh Metal Packaging Americas reportable segments, the Group manufactures products for customers that have no alternative use and for which the Group has an enforceable right to payment for production completed to date. The Group has concluded that it has such enforceable right to payment plus a reasonable margin once it receives an individual purchase order. Therefore, for such products that have no alternative use and where an enforceable right to payment exists, the Group will recognize revenue over time based on the units produced output method such that a portion of revenue, net of any related estimated rebates and cash discounts, excluding sales or value added tax, will be recognized prior to the dispatch of goods as the Group satisfies the contractual performance obligations for those contracts. For all other contracts, the Group will continue to recognize revenue primarily on dispatch of the goods, net of any related customer rebates and cash discounts, excluding sales and value added taxes.

The Group often sells products with rebates and cash discounts based on cumulative sales over a period. Such rebate and cash discount consideration is only recognized when it is highly probable that it will not be subsequently reversed and is recognized using the most likely amount depending on the individual contractual terms.

Exceptional items

The Group's consolidated income statement, cash flow and segmental analysis separately identify results before specific items. Specific items are those that in management's judgment need to be disclosed by virtue of their size, nature or incidence to provide additional information. Such items include, where significant, restructuring, redundancy and other costs relating to permanent capacity realignment or footprint reorganization, directly attributable acquisition costs and acquisition integration costs, and other transaction-related costs, profit or loss on disposal or termination of operations, start-up costs incurred in relation to and associated with plant builds, significant new line investments or furnaces, major litigation costs and settlements and impairments of non-current assets. In this regard the determination of "significant" as included in our definition uses qualitative and quantitative factors. Judgment is used by the Group in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Group's consolidated income statement, and related notes as exceptional items. Management considers columnar presentation to be appropriate in the consolidated income statement as it provides useful additional information and is consistent with the way that financial performance is measured by management and presented to the Board. Exceptional restructuring costs are classified as restructuring provisions and all other exceptional costs when outstanding at the balance sheet date are classified as exceptional items payable.

Finance income and expense

Finance income comprises interest income on funds invested, gains on disposal of financial assets, ineffective portions of derivative instruments designated as hedging instruments and gains on derivative instruments that are not designated as hedging instruments and are recognized in profit or loss.

Finance expense comprises interest expense on borrowings (including amortization of deferred debt issuance costs), interest cost on leases, certain net foreign currency translation related to financing, net interest cost on net pension plan liabilities, losses on extinguishment of borrowings, ineffective portions of derivative instruments designated as hedging instruments, losses on derivative instruments that are not designated as hedging instruments and are recognized in profit or loss, and other finance expense.

The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of manufacturing plants that require a substantial period of time to build that would have been avoided if the expenditure on the qualifying asset had not been made.

Costs related to the issuance of new debt are deferred and amortized within finance expense over the expected terms of the related debt agreements by using the effective interest rate method.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the consolidated income statement except to the extent that it relates to items recognized in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are generally not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Segment reporting

The Board has been identified as the Chief Operating Decision Maker (“CODM”) for the Group.

Operating segments are identified on the basis of the internal reporting regularly provided to the Board in order to allocate resources to the segment and assess its performance.

Critical accounting estimates, assumptions and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill and other long lived assets for Ardagh Glass Packaging North America

In accordance with IAS 36 “Impairment of assets” (“IAS 36”), the Group tests whether goodwill and other long lived assets for Ardagh Glass Packaging North America have suffered any impairment in accordance with the accounting policies stated. The determination of the recoverable amounts of goodwill requires the use of estimates as outlined in Note 8. The Group’s judgments relating to the impairment of goodwill and other long lived assets are included in Notes 8 and 9.

(ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions and judgment is therefore required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where uncertain tax treatments exist, the Group assesses whether it is probable that a tax authority will accept the uncertain tax treatment applied or proposed to be applied in its income tax filings. The Group assesses for each uncertain tax treatment whether it should be considered independently or whether some tax treatments should be considered together based on what the Group believes provides a better prediction of the resolution of the uncertainty. The Group considers whether it is probable that the relevant authority will accept each uncertain tax treatment, or group of uncertain tax treatments, assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

The Group measures tax uncertainties using its best estimate of likely outcomes. This estimate relies on estimates and assumptions and may involve judgments about future events.

Corporate activity including acquisitions, disposals and reorganizations such as those described in Note 1 often create tax uncertainties. The Group has determined, with the benefit of opinions from external tax advisors and legal counsel, where appropriate, that it has provided for all taxation liabilities that are probable to arise from such activities.

New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes could result in incremental tax liabilities which could have a material adverse effect on cash flows, financial condition and results of operations.

Where the final tax outcome of these matters is different from the amounts that were originally estimated such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Measurement of employee benefit obligations

The Group follows guidance of IAS 19(R) to determine the present value of its obligations to current and past employees in respect of defined benefit pension obligations, other long term employee benefits, and other end of service employee benefits which are subject to similar fluctuations in value in the long term. The Group values its liabilities, with the assistance of professional actuaries, to ensure consistency in the quality of the key assumptions underlying the valuations. The critical assumptions and estimates applied are discussed in detail in Note 20.

(iv) Exceptional items

The consolidated income statement and segment analysis separately identify results before exceptional items. Exceptional items are those that in our judgment need to be disclosed by virtue of their size, nature or incidence.

The Group believes that this presentation provides additional analysis as it highlights exceptional items. The determination of "significant" as included in our definition uses qualitative and quantitative factors which remain consistent from period to period. Management uses judgment in assessing the particular items, which by virtue of their scale and nature, are disclosed in the consolidated income statement and related notes as exceptional items. Management considers the consolidated income statement presentation of exceptional items to be appropriate as it provides useful additional information and is consistent with the way that financial information is measured by management and presented to the Board. In that regard, management believes it to be consistent with paragraph 85 of IAS 1 "Presentation of financial statements" ("IAS 1"), which permits the inclusion of line items and subtotals that improve the understanding of performance.

(v) Business combinations, goodwill, non-controlling interest and similar transactions

For each transaction the Group will assess the accounting acquirer and acquiree and whether those parties meet the definition of a business under IFRS 3, which could involve significant judgments depending on the structure of the transaction.

Goodwill only arises in business combinations, where both parties meet the definition of a business. The amount of goodwill initially recognized is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgment. Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortized, whereas indefinite lived intangible assets, including goodwill, are not amortized and could result in differing amortization charges based on the allocation to indefinite lived and finite lived intangible assets.

A transaction, where the accounting acquiree does not meet the definition of a business, is not a business combination under IFRS 3, but could be an asset acquisition or a share-based payment transaction under IFRS 2. In the later case, the difference in the fair value of consideration given by the acquirer over the fair value of identifiable net assets of the acquiree represents a service and is accounted for as a share-based payment expense. In order to estimate such fair values management might need to apply a significant amount of judgment in respect of key assumptions underlying such calculations, as outlined in more detail in note 21 for the Private Warrants.

Transactions that result in the creation of a non-controlling interest but do not result in a change in control are treated as equity transactions. The Group will apply judgment in electing whether such non-controlling interest should be measured at fair value or at the proportionate share of identifiable net assets. For further details please refer to note 24.

Effective August 4, 2021, the Ardagh Group S.A. retained a stake of 81.8% in AMP with the 18.2% held by external shareholders recognized as non-controlling interest separately within equity. Following the exchange offer, the stake retained by Ardagh Group S.A. reduced to 75.3% and the non-controlling interest increased to 24.7%.

The Group elected to measure the non-controlling interest at its proportionate share of AMP's net assets at the acquisition date. The non-controlling interest is not remeasured at fair value in subsequent periods, but will be allocated its share of profit or loss and its share of OCI, including recognizing its portion of the IFRS 2 charge.

The Group's consolidated financial statements separately disclose the non-controlling interest from the parents interests.

3. 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 regularly presented to the Board, which has been identified as the CODM for the Group. Following the reorganization described in note 1 - General information, the Group's operating and reportable segments have remained unchanged but are renamed as follows:

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

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

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

	Year ended December 31,	
	2021	**2020**
	$'m	**$'m**
(Loss)/profit from continuing operations	(766)	13
Income tax (credit)/charge (Note 6)	(18)	10
Net finance expense (Note 5)	377	338
Depreciation and amortization (Notes 8, 9)	746	688
Exceptional operating items (Note 4)	851	58
Share of post-tax loss in equity accounted joint venture (Note 11)	55	48
Adjusted EBITDA	**1,245**	**1,155**

Segment results for the year ended December 31, 2021 are:

	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe	Ardagh Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
Revenue	1,838	2,217	1,784	1,738	**7,577**
Adjusted EBITDA	281	381	393	190	**1,245**
Capital expenditure	190	496	205	175	**1,066**
Segment assets (excluding Investment in material joint venture)	2,785	2,540	4,238	2,048	**11,611**

Segment results for the year ended December 31, 2020 are:

	Ardagh Metal Packaging Europe	Ardagh Metal Packaging Americas	Ardagh Glass Packaging Europe	Ardagh Glass Packaging North America	Group
	$'m	$'m	$'m	$'m	$'m
Revenue	1,599	1,852	1,640	1,640	**6,731**
Adjusted EBITDA	249	296	369	241	**1,155**
Capital expenditure	101	167	145	130	**543**
Segment assets (excluding Investment in material joint venture)	2,403	1,808	2,802	2,249	**9,262**

One customer accounted for greater than 10% of total revenue of the Group in 2021 (2020: none).

Capital expenditure is the sum of purchases of property, plant and equipment and software and other intangibles, net of proceeds from disposal of property, plant and equipment, as per the consolidated statement of cash flows.

Segment assets consist of intangible assets, property, plant and equipment, derivative financial instrument assets, deferred tax assets, other non current assets, inventories, trade and other receivables, contract assets and cash, cash equivalents and restricted cash. The accounting policies of the segments are the same as those in the consolidated financial statements of the Group as set out in note 2. Segment assets at December 31, 2021, in Ardagh Glass Packaging Europe, include the Group's increased cash and cash equivalents holdings. Please refer to note 16 for more details

Total revenue from the Group in countries which account for more than 10% of total revenue, in the current or prior years presented, are as follows:

	Year ended December 31,	
	2021	2020
Revenue	$'m	$'m
U.S.	3,394	3,011
United Kingdom	883	782

The revenue above is attributed to countries on a destination basis.

Non-current assets, excluding derivative financial instruments, taxes, pensions, investment in material joint venture and goodwill arising on acquisitions in countries which account for more than 10% of non-current assets are the U.S. 44% (2020: 41%), Germany 13% (2020: 14%) and the United Kingdom 12% (2020: 12%).

The Company is domiciled in Luxembourg. During the year the Group had revenues of $2 million (2020: $2 million) with customers in Luxembourg. Non-current assets located in Luxembourg were $3 million (2020: $nil).

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

The following illustrates the disaggregation of revenue by destination for the year ended December 31, 2021:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	1,824	5	9	1,838
Ardagh Metal Packaging Americas	1	1,772	444	2,217
Ardagh Glass Packaging Europe	1,719	12	53	1,784
Ardagh Glass Packaging North America	–	1,737	1	1,738
Group	**3,544**	**3,526**	**507**	**7,577**

The following illustrates the disaggregation of revenue by destination for the year ended December 31, 2020:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	1,581	3	15	1,599
Ardagh Metal Packaging Americas	1	1,499	352	1,852
Ardagh Glass Packaging Europe	1,568	12	60	1,640
Ardagh Glass Packaging North America	2	1,637	1	1,640
Group	**3,152**	**3,151**	**428**	**6,731**

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

	Year ended December 31,	
	2021 $'m	2020 $'m
Over time	3,160	2,610
Point in time	4,417	4,121
Group	**7,577**	**6,731**

4. Exceptional items

	Year ended December 31, 2021 $'m	2020 $'m
Start-up related costs	30	7
Impairment - property, plant and equipment	—	6
Past service charge	—	5
Restructuring and other costs	3	1
Cyber security incident, net of insurance recovery	1	—
Exceptional items - cost of sales	**34**	**19**
Transaction-related and other costs	415	25
Restructuring and other costs	3	6
Cyber security incident, net of insurance recovery	4	—
Exceptional items - SGA expenses	**422**	**31**
Impairment - other intangible assets	—	8
Impairment - goodwill	395	—
Exceptional items - impairment of intangible assets	**395**	**8**
Debt refinancing and settlement costs	23	74
Interest expense	17	—
Other exceptional credit	(8)	—
Exceptional items - finance expense	**32**	**74**
Share of exceptional items in material joint venture	25	15
Exceptional items from continuing operations	**908**	**147**
Exceptional income tax credit	(64)	(53)
Exceptional items from continuing operations, net of tax	**844**	**94**
Exceptional items from discontinued operation, net of tax	—	(22)
Total exceptional charge, net of tax	**844**	**72**

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

2021

Exceptional items of $844 million have been recognized for the year ending December 31, 2021, primarily comprising:

- $30 million start-up related costs arising in Ardagh Metal Packaging Americas ($21 million) and Ardagh Metal Packaging Europe ($9 million), relating to the Group's investment programs.
- $5 million net costs resulting from the cyber security incident, comprising $34 million of professional support fees and direct incremental costs, partly offset by $29 million of insurance recoverable recorded at December 31, 2021. See note 29 – Other information cyber security incident and insurance recoverable.
- $415 million transaction-related and other costs, 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, as further detailed in note 24 – Non-controlling interests, with the remaining costs relating to business combination, acquisition and other transaction costs, including transaction-related remuneration costs, professional advisory fees, and other costs related to transformation initiatives. See note 29 – Other information cyber security incident and insurance recoverable.
- $3 million restructuring and other costs in Ardagh Glass Packaging North America and Ardagh Glass Packaging Europe.
- $395 million impairment of goodwill in Ardagh Glass Packaging North America, as further detailed in note 8 – Intangible assets.
- $23 million debt refinancing, and settlement costs related to the redemption of the Group's 6.000% Senior Notes in August 2021 as described in note 19, 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 as outlined in note 1 - General information, to the date of redemption.
- $8 million credit primarily related to entering forward foreign exchange contracts in preparation of the proposed Consol acquisition as outlined in note 1 - General information.
- $25 million from the share of exceptional items in the Trivium joint venture.
- $64 million from tax credits relating to the above exceptional items.

2020

Exceptional items of $72 million have been recognized for the year ending December 31, 2020, primarily comprising:

- $13 million related to the Group's capacity realignment and investment programs, including start-up related costs in Ardagh Metal Packaging North America ($7 million) and property, plant and equipment impairment charges in Ardagh Glass Packaging North America ($6 million).
- $5 million pension costs recognized in Ardagh Glass Packaging North America following the finalization of amendments to the pension scheme initiated in 2019.
- $25 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.
- $7 million restructuring and other costs.
- $8 million impairment of other intangible assets, following a review of the Group's digital infrastructure and future investment plans.
- $74 million debt refinancing and settlement costs related to the redemption of notes in May and June 2020 as described in note 19, including premium payable on the early redemption of the notes, of $61 million, accelerated amortization of deferred finance costs, and interest charges from the call date to date of redemption.
- $15 million charge from the share of exceptional items in the Trivium joint venture.
- $53 million from tax credits including $15 million relating to U.S. tax reform, and $13 million from debt refinancing and settlement costs incurred in the period as described in note 6.
- $22 million credit in relation to the disposal of Food & Specialty metal packaging business including the finalization of the completion accounts process.

5. Finance income and expense

	Year ended December 31,	
	2021	**2020**
	$'m	**$'m**
Senior secured and senior notes	334	259
Other interest expense	42	43
Interest expense	**376**	**302**
Net pension interest cost (Note 20)	11	14
Foreign currency translation gains	(10)	(42)
Gains on derivative financial instruments	(28)	(3)
Other finance income	(4)	(7)
Finance expense before exceptional items	**345**	**264**
Net exceptional finance expense (Note 4)	32	74
Net finance expense	**377**	**338**

During the year ended December 31, 2021, the Group recognized $20 million (2020: $19 million) related to lease liabilities within other interest expense and interest paid in cash used in operating activities.

6. Income tax

	Year ended December 31,	
	2021	2020
	$'m	$'m
Current tax:		
Current tax for the year	65	78
Adjustments in respect of prior years	(8)	(64)
Total current tax	**57**	**14**
Deferred tax:		
Deferred tax for the year	(78)	(36)
Adjustments in respect of prior years	3	32
Total deferred tax	**(75)**	**(4)**
Income tax (credit)/charge	**(18)**	**10**

Adjustments in respect of prior years in the year ended December 31, 2020 includes tax credits relating to the carry back of net operating losses in the United States as a result of the enactment from March 27, 2020 of the Coronavirus Aid, Relief and Economic Security ("CARES") Act, additional tax relief on finance expense, and the availability of tax credits relating to a historic divestment.

Reconciliation of income tax (credit)/charge and the (loss)/profit before tax multiplied by the Group's domestic tax rate for 2021 and 2020 is as follows:

	Year ended December 31,	
	2021	2020
	$'m	$'m
(Loss)/profit before tax	**(784)**	**23**
(Loss)/profit before tax multiplied by the standard rate of Luxembourg corporation tax: 24.94% (2020: 24.94%)	(196)	6
Tax losses for which no deferred income tax asset was recognized	23	1
Re-measurement of deferred taxes	12	—
Adjustment in respect of prior years	(5)	(32)
Income subject to state and other local income taxes	11	5
Income taxed at rates other than standard tax rates	(20)	5
Non-deductible items	162	13
Other	(5)	12
Income tax (credit)/charge	**(18)**	**10**

The total income tax (credit)/charge outlined above for each year includes a tax credit of $64 million in 2021 (2020: $53 million) in respect of exceptional items, being the tax effect of the items set out in Note 4.

Non-deductible items primarily relate to transaction costs attributable to the completion of the Business Combination, including the service for listing of the shares in Ardagh Metal Packaging in accordance with IFRS 2 which is non-deductible for tax purposes, in addition to non-deductible interest expenses in Ireland. Re-measurement of deferred taxes relates to the impact of the substantially enacted change in rate of corporation tax in the United Kingdom. Tax losses for which no deferred income tax asset was recognized primarily relates to partially tax deductible Business Combination expenses in Luxembourg. Income taxed at non standard rates takes account of foreign tax rate differences (versus the Luxembourg standard 24.94% rate on earnings).

7. Employee costs

	Year ended December 31,	
	2021 $'m	2020 revised $'m
Wages and salaries	1,340	1,280
Social security costs	167	157
Defined benefit plan pension costs (Note 20)	12	23
Defined contribution plan pension costs (Note 20)	51	47
Group employee costs	**1,570**	**1,507**

	At December 31,	
Employees	2021	2020
Ardagh Metal Packaging Europe	3,196	2,938
Ardagh Metal Packaging Americas	2,565	1,937
Ardagh Glass Packaging Europe	6,650	6,500
Ardagh Glass Packaging North America	5,336	5,068
Group	**17,747**	**16,443**

8. Intangible assets

	Goodwill $'m	Customer relationships $'m	Technology and other $'m	Software $'m	Total $'m
2020					
Cost					
At January 1, 2020	1,624	2,083	150	87	**3,944**
Additions	—	—	10	2	**12**
Impairment (Note 4)	—	—	(6)	(2)	**(8)**
Transfers	—	—	(6)	6	**—**
Exchange	58	73	2	12	**145**
At December 31, 2020	**1,682**	**2,156**	**150**	**105**	**4,093**
Amortization					
At January 1, 2020		(880)	(117)	(63)	**(1,060)**
Charge for the year		(206)	(22)	(7)	**(235)**
Exchange		(33)	(3)	(6)	**(42)**
At December 31, 2020		**(1,119)**	**(142)**	**(76)**	**(1,337)**
Net book value					
At December 31, 2020	**1,682**	**1,037**	**8**	**29**	**2,756**
2021					
Cost					
At January 1, 2021	1,682	2,156	150	105	**4,093**
Additions	—	—	15	7	**22**
Acquisitions (Note 9)	3	—	—	—	**3**
Impairment (Note 4)	(395)	—	—	—	**(395)**
Transfers	—	—	(3)	3	**—**
Exchange	(53)	(65)	(2)	(4)	**(124)**
At December 31, 2021	**1,237**	**2,091**	**160**	**111**	**3,599**
Amortization					
At January 1, 2021		(1,119)	(142)	(76)	**(1,337)**
Charge for the year		(211)	(19)	(7)	**(237)**
Exchange		34	3	3	**40**
At December 31, 2021		**(1,296)**	**(158)**	**(80)**	**(1,534)**
Net book value					
At December 31, 2021	**1,237**	**795**	**2**	**31**	**2,065**

Amortization expense of $237 million (2020: $235 million) has been charged to the consolidated income statement of the Group.

In November 2021, the Group completed the Business Combination with Hart Print, located in Quebec, Canada. The transaction is not material to the Group. These consolidated financial statements include management's preliminary estimate of the fair values of assets acquired and liabilities assumed. In conjunction with this transaction, the Group has entered into an earnout compensation arrangement with the former shareholders, which is treated as a compensation arrangement for accounting purposes and could result in future payments to those individuals depending on the future performance of Hart Print.

Impairment

An impairment charge of $395 million, before the impact of deferred tax, was recognized in the year ended December 31, 2021 in respect of the goodwill in Ardagh Glass Packaging North America as a result of the impairment testing performed. Please refer to the section *Impairment test for Ardagh Glass Packaging North America.*

The Board has considered the carrying value of the Group's intangible assets (excluding goodwill) and assessed for indicators of impairment as at December 31, 2021 in accordance with IAS 36. No such indicators of impairment were identified.

In the year ended December 31, 2020 an impairment charge of $8 million was recognized, which relates to the impairment of certain technology and software assets as further described in Note 4.

Goodwill

Allocation of goodwill

Goodwill has been allocated to groups of CGUs for the purpose of impairment testing. The groupings represent the lowest level at which the related goodwill is monitored for internal management purposes. Goodwill acquired through business combination activity is allocated to CGUs that are expected to benefit from synergies arising from that combination.

The lowest level within the Group at which the goodwill is monitored for internal management purposes, and consequently the CGUs to which goodwill is allocated, is set out below. On this basis, the Group's CGUs are identified as follows:

	At December 31,	
	2021 $'m	2020 $'m
Ardagh Metal Packaging Europe	570	618
Ardagh Metal Packaging Americas	440	437
Ardagh Glass Packaging Europe	62	67
Ardagh Glass Packaging North America	165	560
Total Goodwill	**1,237**	**1,682**

Impairment tests for goodwill

The Group performs its impairment test of goodwill annually following approval of the annual budget or whenever indicators suggest that impairment may have occurred.

Recoverable amount and carrying amount

The Group uses the value in use ("VIU") model for the purposes of goodwill impairment testing, as this reflects the Group's intention to hold and operate the assets. However, if an impairment indicator exists for a CGU, the Group also uses the fair value less costs of disposal ("FVLCD") model in order to establish the recoverable amount being the higher of the VIU model and FVLCD model when compared to the carrying value of the CGU.

Impairment test for all CGU's other than for Ardagh Glass Packaging North America

For the 2021 and 2020 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations, which require the use of assumptions.

The VIU model used the 2022 budget approved by the Board and a three-year forecast for 2023 to 2025 (2020: three-year forecast period). The budget and forecast results were then extended for a further one year period (2020: one-year period) making certain assumptions, including the profile between long-term depreciation and capital expenditure, in addition to how the changes in input cost will impact customer pricing, in line with historic practice and contractual terms.

Cash flows considered in the VIU model included the cash inflows and outflows related to the continuing use of the assets over their remaining useful lives, expected earnings, required maintenance capital expenditure, depreciation and working capital.

The pre-tax discount rates applied to cashflows in the VIU model, ranged from 4.4% to 7.7% (2020: 5.1% to 7.9%) and were estimated using our weighted average cost of capital as determined by the Capital Asset Pricing Model, with regard to the risks associated with the cash flows being considered (country, market and specific risks of the asset).

The modelled cash flows take into account the Group's established history of earnings, cash flow generation and the nature of the markets in which we operate, where product obsolescence is low. The key assumptions employed in modelling estimates of future cash flows are subjective and include projected Adjusted EBITDA, discount rates and growth rates, replacement capital expenditure requirements, rates of customer retention and the ability to maintain margin through the pass through of input cost inflation.

The terminal value assumed long-term growth based on a combination of factors including long-term inflation in addition to industry and market specific factors. The range of growth rates applied by management in respect of the terminal values applicable to all groups of CGU's were 1.0% - 1.5% (2020: 1.0% - 1.5%).

A sensitivity analysis was performed reflecting potential variations in terminal growth rate and discount rate assumptions. In all cases the recoverable values calculated were in excess of the carrying values of the CGUs. The variation applied to terminal value growth rates and discount rates was a 50 basis points decrease and increase respectively and represents a reasonably possible change to the key assumptions of the VIU model. Further, a reasonably possible change to the operating cash flows would not reduce the recoverable amounts below the carrying value of the CGUs. As a result of the significant excess of recoverable amount, management consider that additional disclosures are not required under IAS 36.

Impairment test for Ardagh Glass Packaging North America

Management have considered the continued operational challenges experienced in the Ardagh Glass Packaging North America CGU in the fourth quarter in its assessment of goodwill impairment in addition to management's update to its budget plan, which indicated lower projected future EBITDA for the Ardagh Glass Packaging North America CGU as compared to the projections used in the most recent goodwill impairment test performed as of September 30, 2021. Management has determined the recoverable amount by assessing the FVLCD of the underlying assets using a market approach, on the basis that this gave a higher recoverable amount than an assessment based on VIU. The valuation is considered to be level 3 in the fair value hierarchy, due to unobservable inputs used in the valuation.

The key assumptions applied in the FVLCD calculation for the Ardagh Glass Packaging North America CGU are, by their nature, subjective and include, adjustments to forecasted full year 2022 results for projected inflationary input costs increases and the extent to which these can be recovered from customers, increases in available production capacity and the effects of future restructuring as part of estimating the projected Adjusted EBITDA from a market participant's perspective (2020: FY21 projected revenue volumes, cost savings and the effects of future restructuring as part of estimating the projected Adjusted EBITDA from a market participant's perspective). A multiple of 6.5x (2020: 6.5x) was then applied to the market participant projected Adjusted EBITDA, based on comparable companies and market transactions, which was further adjusted for selling costs. The recoverable amount of $1,297 million was then compared to the carrying value of the Ardagh Glass Packaging North America CGU, resulting in the recognition of an impairment charge of $395 million (before the impact of deferred tax) on goodwill allocated to Ardagh Glass Packaging North America in the year ended December 31, 2021.

A sensitivity analysis was performed on the FVLCD calculation by increasing and decreasing the projected Adjusted EBITDA from a market participant's perspective by 5%, and increasing and decreasing the multiple which was applied to the projected Adjusted EBITDA from a market participant's perspective by 25 basis points. If the projected Adjusted EBITDA from a markets participant's perspective were to decrease by 5%, the impairment charge (before the impact of deferred tax) would increase by an estimated $74 million. If the projected Adjusted EBITDA from a markets participant's perspective were to increase by 5%, the impairment charge (before the impact of deferred tax) would decrease by an estimated $74 million. If the multiple which was applied to the projected Adjusted EBITDA from a markets participant's perspective were to decrease by 25 basis points, the impairment charge (before the impact of deferred tax) would increase by an estimated $57 million. If the multiple which was applied to the projected Adjusted EBITDA from a markets participant's perspective were to increase by 25 basis points, the impairment charge (before the impact of deferred tax) would decrease by an estimated $57 million.

9. Property, plant and equipment

	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and other $'m	Total $'m
2020				
Cost				
At January 1, 2020	1,018	3,236	126	**4,380**
Additions	69	507	51	**627**
Impairment (Note 4)	—	(6)	—	**(6)**
Disposals	(2)	(234)	(11)	**(247)**
Exchange	55	116	5	**176**
At December 31, 2020	**1,140**	**3,619**	**171**	**4,930**
Depreciation				
At January 1, 2020	(276)	(1,386)	(41)	**(1,703)**
Charge for the year	(89)	(330)	(34)	**(453)**
Disposals	1	234	11	**246**
Exchange	(19)	(53)	(3)	**(75)**
At December 31, 2020	**(383)**	**(1,535)**	**(67)**	**(1,985)**
Net book value				
At December 31, 2020	**757**	**2,084**	**104**	**2,945**
2021				
Cost				
At January 1, 2021	1,140	3,619	171	**4,930**
Additions	119	1,150	69	**1,338**
Acquisitions	11	22	—	**33**
Disposals	(8)	(174)	(24)	**(206)**
Exchange	(51)	(123)	(4)	**(178)**
At December 31, 2021	**1,211**	**4,494**	**212**	**5,917**
Depreciation				
At January 1, 2021	(383)	(1,535)	(67)	**(1,985)**
Charge for the year	(96)	(374)	(39)	**(509)**
Disposals	7	174	21	**202**
Exchange	19	50	2	**71**
At December 31, 2021	**(453)**	**(1,685)**	**(83)**	**(2,221)**
Net book value				
At December 31, 2021	**758**	**2,809**	**129**	**3,696**

Depreciation expense of $490 million (2020: $438 million) has been charged in cost of sales and $19 million (2020: $15 million) in sales, general and administration expenses.

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

Construction in progress at December 31, 2021 was $797 million (2020: $304 million) included within plant and machinery.

Included in property, plant and equipment is an amount for land of $194 million (2020: $196 million).

Substantially all of the Group's property, plant and equipment is pledged as security under the terms and conditions of the Group's financing arrangements. Interest capitalized in the year was $1 million (2020: $nil).

Impairment

The Board has considered the carrying value of the Group's property, plant and equipment and assessed the indicators of impairment as at December 31, 2021, in accordance with IAS 36. No such indicators of impairment were identified. In the year ended December 31, 2020 an impairment charge of $6 million was identified which related to the impairment of plant and machinery in Ardagh Glass Packaging North America. Please refer to Note 4.

Right of Use assets – Net Book Value, depreciation and variable lease expense

The following right-of-use assets were included in property, plant and equipment:

Net book value	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and other $'m	Total $'m
At December 31, 2021	184	146	71	**401**
At December 31, 2020	181	63	75	**319**

The increase in the net carrying amount of the right-of use assets at December 31, 2021 is primarily the result of total additions to the right-of-use assets of $205 million and an acquisition of $1 million during the year ended December 31, 2021, offset by a depreciation charge of $111 million (Land and buildings: $66 million, Plant and machinery: $30 million, Office equipment, vehicles and other: $15 million), disposals of $2 million and an exchange effect.

The increase in the net carrying amount of the right-of use assets at December 31, 2020 is primarily the result of total additions to the right-of-use assets during the year ended December 31, 2020 of $87 million and exchange gains, offset by a depreciation charge of $93 million (Land and buildings: $55 million, Plant and machinery: $23 million, Office equipment, vehicles and other: $15 million).

During 2021, the Group incurred variable lease expense of $72 million (2020: $64 million), primarily related to warehouse leases.

Capital commitments

The following capital commitments in relation to property, plant and equipment were authorized by management, but have not been provided for in the consolidated financial statements:

	At December 31, 2021 $'m	At December 31, 2020 $'m
Contracted for	478	148
Not contracted for	281	227
	759	**375**

10. Other non-current assets

At December 31, 2021, other non-current assets were $28 million (2020: $73 million), which includes $8 million (2020: $8 million) primarily relating to certain of the Group's investment in its joint ventures, excluding the investment in Trivium, which is further discussed in Note 11.

11. Investment in material joint venture

Investment in material joint venture is comprised of the Group's approximate 42% investment in Trivium, which is incorporated in the Netherlands, with corporate offices in Amsterdam. The remaining approximate 58% is held by Ontario Teachers' Pension Plan Board ("Ontario Teachers"). 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 table provides aggregated financial information for Trivium as it relates to the amounts recognized by Ardagh in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of financial position.

	Year ended December 31,	
	2021	**2020**
	$'m	**$'m**
Investment in joint venture	303	390
Loss for the period	(55)	(48)
Other comprehensive (expense)/income	(5)	29
Total comprehensive loss	**(60)**	**(19)**

Summarized financial information, as of the date these consolidated financial statements were authorized for issue, for Trivium for the twelve months ended and as at December 31, 2021 and December 31, 2020, is set out below:

	Year ended December 31,	
	2021 (i)	**2020** (ii)
	$'m	**$'m**
Revenue	2,757	2,656
Expenses	(2,718)	(2,617)
Operating profit	**39**	**39**
Net finance expense	(167)	(158)
Loss before tax	**(128)**	**(119)**
Income tax (charge)/credit	(1)	5
Loss after tax	**(129)**	**(114)**

(i) The income statement for the year ended December 31, 2021 includes exceptional items of $60 million, in accordance with Ardagh accounting policy and $168 million on non-exceptional interest expense. Also included is depreciation and amortization of $286 million.

(ii) The income statement for the year ended December 31, 2020 includes exceptional items of $35 million, in accordance with Ardagh accounting policy, of which $2 million is in respect of exceptional interest income. and $160 million of non-exceptional interest expense. Also included is depreciation and amortization of $285 million (inclusive of a measurement period adjustment of $19 million) and income tax credit of $5 million (inclusive of a measurement period adjustment of $6 million).

	At December 31,	
	2021	2020
	$'m	$'m
Non-current assets	4,227	4,644
Current assets (iii)	1,053	891
Total assets	**5,280**	**5,535**
Total equity	**679**	**839**
Non-current liabilities (iv)	3,688	3,892
Current liabilities (v)	913	804
Total liabilities	**4,601**	**4,696**
Total equity and liabilities	**5,280**	**5,535**

(iii) Includes cash and cash equivalents of $0.2 billion.

(iv) Includes non-current financial liabilities (excluding other payables and provisions) of $3.6 billion.

(v) Includes current financial liabilities (excluding trade and other payables and provisions) of $0.1 billion.

As at December 31, 2021, Trivium had net debt of $2.7 billion (2020: $2.9 billion).

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

	2021	2020
	$'m	$'m
Group's interest in net assets of material joint venture at January 1	390	375
Share of total comprehensive loss	(60)	(19)
Exchange	(27)	34
Carrying amount of interest in material joint venture - December 31	**303**	**390**

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 December 31, 2021.

During the year ended December 31, 2020, Trivium management updated the provisional fair values and useful lives for property, plant and equipment and intangible assets acquired upon formation of Trivium on October 31, 2019, resulting in measurement period adjustments that require recognition by Ardagh. As a result, the reported share of post-tax loss in equity accounted joint venture for the year ended December 31, 2020, includes adjustments for the two months ended December 31, 2019 related to depreciation and amortization, net of tax, arising from the revised fair values and useful lives determined for property, plant and equipment and intangible assets acquired. The impacts of these adjustments, on the reported share of post-tax loss in equity accounted joint venture is $6 million for the year ended December 31, 2020.

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 finance, tax reporting, 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 and Trivium.

The Group recognized net income of $11 million in respect of the MSA in the year ended December 31, 2021 respectively (December 31, 2020: $19 million).

At December 31, 2021, and December 31, 2020, the Group had no significant related party balances outstanding with Trivium reflected within trade and other receivables and trade and other payables.

In May 2020, the Group, as lender, entered into a credit facility (the "Trivium Credit Facility") with Trivium, as borrower. The amount under the Trivium Credit Facility was $36 million. The Trivium Credit Facility matured on April 30, 2021 and was not extended.

12. Deferred income tax

The movement in deferred tax assets and liabilities during the year was as follows:

	Assets $'m	Liabilities $'m	Total $'m
At January 1, 2020	**406**	**(546)**	**(140)**
(Charged)/credited to the income statement (Note 6)	(22)	26	4
Credited/(charged) to other comprehensive income	23	(6)	17
Exchange	13	(18)	(5)
At December 31, 2020	**420**	**(544)**	**(124)**
Credited to the income statement (Note 6)	68	7	75
Charged to other comprehensive income	(34)	(12)	(46)
Exchange	(11)	16	5
At December 31, 2021	**443**	**(533)**	**(90)**

The components of deferred income tax assets and liabilities are as follows:

	At December 31,	
	2021 $'m	2020 $'m
Tax losses	113	47
Employee benefit obligations	127	168
Depreciation timing differences	82	83
Provisions	74	72
Other	47	50
	443	**420**
Available for offset	(226)	(175)
Deferred tax assets	**217**	**245**
Intangible assets	(171)	(265)
Accelerated depreciation and other fair value adjustments	(300)	(239)
Other	(62)	(40)
	(533)	**(544)**
Available for offset	226	175
Deferred tax liabilities	**(307)**	**(369)**

The tax credit recognized in the consolidated income statement is analyzed as follows:

	Year ended December 31,	
	2021 $'m	2020 $'m
Tax losses	69	4
Employee benefit obligations	(4)	(2)
Depreciation timing differences	2	(5)
Provisions	3	(3)
Other deferred tax assets	(2)	(16)
Intangible assets	85	40
Accelerated depreciation and other fair value adjustments	(67)	(27)
Other deferred tax liabilities	(11)	13
	75	**4**

Deferred tax assets are only recognized on tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable based on management's forecasts. The Group did not recognize deferred tax assets of $55 million (2020: $33 million) in respect of tax losses amounting to $221 million (2020: $131 million) that can be carried forward against future taxable income due to uncertainty regarding their utilization.

No provision has been made for temporary differences applicable to investments in subsidiaries as the Group is in a position to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Given that exemptions and tax credits would be available in the context of the Group's investments in subsidiaries in the majority of jurisdictions in which it operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognized would not be material.

13. Inventories

	At December 31,	
	2021 $'m	2020 $'m
Raw materials and consumables	430	303
Mold parts	52	52
Work-in-progress	16	13
Finished goods	605	555
	1,103	**923**

Certain inventories held by the Group have been pledged as security under the Group's Global Asset Based Loan Facilities (Note 19). The amount recognized as a write down in inventories or as a reversal of a write down in the year ended December 31, 2021 was not material (2020: not material).

At December 31, 2021, the hedging loss included in the carrying value of inventories, which will be recognized in the income statement when the related finished goods have been sold is $14 million (2020: not material).

14. Trade and other receivables

	At December 31,	
	2021 $'m	2020 $'m
Trade receivables	826	632
Other receivables and prepayments*	386	237
	1,212	**869**

* Included in Other receivables and prepayments is an amount of $35 million related to the cyber security incident insurance recoverable (Note 29), which was received in January 2022, $23 million of a related party loan receivable with ARD Finance S.A. (Note 27) and the receivable for the tax adjusted indemnity in respect of a U.S. glass business legal matter.

The fair values of trade and other receivables approximate the amounts shown above.

Movements on the provision for impairment of trade receivables are as follows:

	2021 $'m	2020 $'m
At January 1,	**11**	**6**
Provision for receivables impairment	—	5
Receivables written off during the year as uncollectible	(2)	(1)
Exchange	—	1
At December 31,	**9**	**11**

The majority of the provision recorded in the prior year relates to balances which at the time were more than six months past due. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable set out above.

Provisions against specific balances

Significant balances are assessed for evidence of increased credit risk. Examples of factors considered are high probability of bankruptcy, breaches of contract or major concession being sought by the customer. Instances of significant single customer related bad debts are rare and there is no significant concentration of risk associated with particular customers.

Providing against the remaining population of customers

The Group monitors actual historical credit losses and adjusts for forward-looking information to measure the level of expected losses. Adverse changes in the payment status of customers of the Group, or national or local economic conditions that correlate with defaults on receivables owing to the Group, may also provide a basis for an increase in the level of provision above historic loss experience.

As of December 31, 2021, trade receivables of $36 million (2020: $19 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	At December 31, 2021 $'m	At December 31, 2020 $'m
Up to three months past due	33	14
Three to six months past due	1	4
Over six months past due	2	1
	36	**19**

Receivables Factoring and Related Programs

The Group participates in several uncommitted accounts receivable factoring and related programs with various financial institutions for certain receivables, accounted for as true sales of receivables, without recourse to the Group. Receivables of $554 million were sold under these programs at December 31, 2021 (December 31, 2020: $440 million).

15. Contract assets

The following table provides information about significant changes in contract assets:

	2021 $'m	2020 $'m
At January 1,	**139**	**151**
Transfers from contract assets recognized at beginning of year to receivables	(137)	(148)
Increases as a result of new contract assets recognized during the year	185	133
Other (including exchange)	(5)	3
At December 31,	**182**	**139**

16. Cash and cash equivalents

	At December 31, 2021 $'m	At December 31, 2020 $'m
Cash at bank and in hand	591	382
Short term bank deposits	2,312	879
Restricted cash	6	6
	2,909	**1,267**

17. Issued capital and reserves

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, 2020	18.67	217.7	236.37	23
Share issuance	–	–	–	–
Cancellation of tendered shares	(15.75)	–	(15.75)	–
At December 31, 2021	**2.92**	**217.7**	**220.6**	**23**

The material share transaction in the year ended December 31, 2021 relates to the cancellation of tendered shares as a result of the exchange offer as outlined in note 1 – General information. There were no other material share transactions in the year ended December 31, 2021.

18. Financial risk factors

The Group's activities expose it to a variety of financial risks: capital risk, interest rate risk, currency exchange risk, commodity price risk, credit risk, and liquidity risk.

Capital structure and risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and provide returns to its shareholders. The Group funds its operations primarily from the following sources of capital: borrowings, cash flow and shareholders' capital. The Group aims to achieve a capital structure that results in an appropriate cost of capital to accommodate material investments or acquisitions, while providing flexibility in short and medium term funding. The Group also aims to maintain a strong balance sheet and to provide continuity of financing by having a range of maturities and borrowing from a variety of sources.

The Group's overall treasury objectives are to ensure sufficient funds are available for the Group to carry out its strategy and to manage certain financial risks to which the Group is exposed, details of which are provided below. The Group's finance committee reviews and monitors the capital structure, financial policies and treasury function, in addition to advising the board of directors in relation to financing agreements or arrangements.

Financial risks are managed on the advice of Group Treasury and senior management in conjunction with the finance committee. The Group does not permit the use of treasury instruments for speculative purposes, under any circumstances. Group Treasury regularly reviews the level of cash and debt facilities required to fund the Group's activities, plans for repayment and refinancing of debt, and identifies an appropriate amount of headroom to provide a reserve against unexpected funding requirements.

The Group's long-term liquidity needs primarily relate to the servicing 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. The Group generates substantial cash flow from our operations on an annual basis. The Group had $2,909 million in cash, cash equivalents and restricted cash as of December 31, 2021, as well as available but undrawn liquidity of $793 million under its credit facilities.

Additionally, financial instruments, including derivative financial instruments, are used to hedge exposure to interest rate, currency exchange risk and commodity price risk.

One of the Group's key metrics has been the ratio of consolidated external net debt as a multiple of 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. As at December 31, 2021 the ratio was 4.7x (2020: 4.9x).

Interest rate risk

The Board's policy, in the management of interest rate risk, is to strike the right balance between the Group's fixed and floating rate financial instruments, which occasionally includes the use of cross currency and interest rate swaps. The balance struck by the Board is dependent on prevailing interest rate markets at any point in time.

At December 31, 2021, the Group's external borrowings were 100% (2020: 89.6%) fixed, with a weighted average interest rate of 3.9% (2020: 4.4%). The weighted average interest rate for the Group for the year ended December 31, 2021 was 3.8% (2020: 3.9%).

Holding all other variables constant, including levels of the Group's external indebtedness, at December 31, 2021 a one percentage point increase in variable interest rates would increase interest payable by approximately $nil (2020: $11 million).

Currency exchange risk

The Group presents its consolidated financial information in U.S. dollar. The functional currency of the Company is the euro.

The Group operates in 12 countries, across three continents and its main currency exposure in the year to December 31, 2021, from the euro functional currency, was in relation to the U.S. dollar, British pound, Swedish krona, Polish zloty, Danish krone and Brazilian real. Currency exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

As a result of the consolidated financial statements being presented in U.S dollar, the Group's results are also impacted by fluctuations in the U.S. dollar exchange rate versus the euro.

The Group has a limited level of transactional currency exposure arising from sales or purchases by operating units in currencies other than their functional currencies.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed where possible primarily through borrowings and swaps denominated in the Group's principal foreign currencies.

Fluctuations in the value of these currencies with respect to the euro functional currency may have a significant impact on the Group's financial condition and results of operations. The Group believes that a strengthening of the euro exchange rate (the functional currency) by 1% against all other foreign currencies from the December 31, 2021 rate would decrease shareholders' equity by approximately $6 million (2020: $10 million decrease).

Commodity price risk

The Group is exposed to changes in prices of our main raw materials, primarily aluminum and energy. Production costs in Ardagh Metal Packaging are exposed to changes in prices of our main raw materials, primarily aluminum. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/ euro rate also affect the euro cost of aluminum ingot. The price and foreign currency risk on the aluminum purchases in Ardagh Metal Packaging Europe and Ardagh Metal Packaging Americas are hedged where required by entering into swaps under which we pay fixed euro and U.S. dollar prices, respectively. Furthermore, the relative price of oil and its by-products may materially impact our business, affecting our transport, lacquer and ink costs.

Where we do not have pass through contracts in relation to the underlying metal raw material cost the Group uses derivative agreements to manage this risk. The Group depends on an active liquid market and available credit lines with counterparty banks to cover this risk. The use of derivative contracts to manage our risk is supported by robust hedging procedures. Increasing raw material costs over time has the potential, if we are unable to pass on price increases, to reduce sales volume and could therefore have a significant impact on our financial condition. The Group is also exposed to possible interruptions of supply of aluminum and steel or other raw materials and any inability to purchase raw materials could negatively impact our operations.

Production costs in Ardagh Glass Packaging are sensitive to the price of energy. Our main energy exposure is to the cost of gas and electricity. These energy costs have experienced significant volatility in recent years with a corresponding effect on our production costs. In terms of gas, which represents 50% of our energy costs, there is a continuous de coupling between the cost of gas and oil, whereby now only significant changes in the price of oil have an impact on the price of gas. The volatility in gas pricing is driven by shale gas development (United States only), the availability of liquefied natural gas in Europe, as both Europe and Asia compete for shipments and storage, wind and solar intensity levels, as well as geopolitical events. Volatility in the price of electricity is caused by developments in renewable energy policies, including in Germany, the phasing out of nuclear generating capacity, fluctuations in the price of gas and coal, the influence of carbon dioxide costs on electricity prices, as well as geopolitical events. The impact of Europe's dependence on Russia for natural gas supply has been evident by the extreme rise in price, as a result of reduced gas flows in the second half of 2021 arising from political tensions between Russia and Ukraine.

As a result of the volatility of gas and electricity prices, the Group has included energy pass through clauses in our sales contracts where possible. Where pass through contracts do not exist, the Group has developed an active risk management strategy by either hedging with a bank or entering into forward price fixing arrangements with suppliers for the bulk of our anticipated requirements for the year ahead. Such arrangements are used exclusively to obtain delivery of our anticipated energy supplies. The Group does not net settle, nor do we sell within a short period of time after taking delivery. The Group avails of the own use exemption and, therefore, these contracts are treated as executory contracts.

The Group typically builds up these contractual positions in tranches of approximately 10% of the anticipated volumes. Any gas and electricity which is not purchased under forward price fixing arrangements is purchased under index tracking contracts or at spot prices.

Credit risk

Credit risk arises from derivative contracts, cash and deposits held with banks and financial institutions, as well as credit exposures to the Group's customers, including outstanding receivables. Group policy is to invest its excess liquidity only with recognized and reputable financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "BBB+" from at least two credit rating agencies are accepted, where possible. The credit ratings of banks and financial institutions are monitored to ensure compliance with Group policy. Risk of default is controlled within a policy framework of dealing with high quality institutions and by limiting the amount of credit exposure to any one bank or institution.

Group policy is to extend credit to customers of good credit standing. Credit risk is managed on an on going basis, by experienced personnel within the Group. The Group's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilization of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended December 31, 2021, the Group's ten largest customers accounted for approximately 44% of total revenues (2020: 45%). There is no recent history of default with these customers.

Surplus cash held by the operating entities over and above their short term requirements are transferred to Group Treasury, where possible. Group Treasury invests surplus cash in interest-bearing current accounts, money market funds and bank time deposits with appropriate maturities to provide sufficient headroom as determined by the below-mentioned forecasts.

Liquidity risk

The Group is exposed to liquidity risk which arises primarily from the maturing of short term and long term debt obligations and from the normal liquidity cycle of the business throughout the course of a year. In the near term, the Group is also exposed to liquidity risk relating to its growth investment initiates. The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due.

To effectively manage liquidity risk, the Group:

- has committed borrowing facilities that it can access to meet liquidity needs;
- maintains cash balances and liquid investments with highly-rated counterparties;
- limits the maturity of cash balances;
- borrows the bulk of its debt needs under long term fixed rate debt securities; and
- has internal control processes to manage liquidity risk.

Cash flow forecasting is performed in the Group's operating entities, and is aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans.

19. Financial assets and liabilities

The Group’s net debt was as follows:

	At December 31, 2021 $'m	At December 31, 2020 $'m
Loan notes	8,253	6,483
Other borrowings	456	378
Net borrowings	**8,709**	**6,861**
Cash and cash equivalents	(2,909)	(1,267)
Derivative financial instruments used to hedge foreign currency and interest rate risk	(2)	105
Net debt	**5,798**	**5,699**

The Group’s net borrowings of $8,709 million (2020: $6,861 million) are classified as non-current liabilities of $8,595 million (2020: $6,764 million) and current liabilities of $114 million (2020: $97 million) in the consolidated statement of financial position at December 31, 2021.

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 Ardagh Metal Packaging S.A. 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.

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in certain areas such as incurrence of additional indebtedness (primarily maximum 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 is 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, 2020, the Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
5.250% Senior Secured Notes	USD	700	30-Apr-25	Bullet	700	700	–
4.125% Senior Secured Notes	USD	1,215	15-Aug-26	Bullet	1,215	1,215	–
2.125% Senior Secured Notes	EUR	439	15-Aug-26	Bullet	439	539	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	790	969	–
6.000% Senior Notes	USD	800	15-Feb-25	Bullet	800	826	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	400	546	–
5.250% Senior Notes	USD	800	15-Aug-27	Bullet	800	800	–
5.250% Senior Notes	USD	1,000	15-Aug-27	Bullet	1,000	1,000	–
Global Asset Based Loan Facility	USD	599	07-Dec-22	Revolving	–	–	599
Lease obligations	Various	–		Amortizing	–	366	–
Other borrowings/credit lines	Various	–	Rolling	Amortizing	–	14	1
Total borrowings / undrawn facilities						**6,975**	**600**
Deferred debt issue costs and bond discounts/bond premium						(114)	–
Net borrowings / undrawn facilities						**6,861**	**600**
Cash, cash equivalents and restricted cash						(1,267)	1,267
Derivative financial instruments used to hedge foreign currency and interest rate risk						105	–
Net debt / available liquidity						**5,699**	**1,867**

The following table summarizes movement in the Group's net debt:

	2021	2020
	$'m	$'m
Net increase in cash and cash equivalents per consolidated statement of cash flows	(1,642)	(653)
Increase in net borrowings and derivative financial instruments	1,741	1,024
Increase in net debt	99	371
Net debt at January 1,	5,699	5,328
Net debt at December 31,	**5,798**	**5,699**

The increase in net debt primarily includes proceeds from borrowings of $2.8 billion (2020: $4.1 billion), which is partly offset by an increase in cash, cash equivalents and restricted cash of $1.6 billion (2020: increase of $0.7 billion), repayments of borrowings of $0.8 billion (2020: $3.3 billion), foreign exchange gain on borrowings of $0.2 billion (2020: loss of $0.2 billion) a fair value gain on derivative financial instruments used to hedge foreign currency and interest rate risk of $0.1 billion (2020: loss of $0.1 billion).

Maturity Profile

The maturity profile of the Group's Senior Secured Notes and Senior Notes is as follows:

	At December 31, 2021 $'m	2020 $'m
Within one year or on demand	—	—
Between one and three years	—	—
Between three and five years	3,307	1,526
Greater than five years	2,339	5,069
Restricted Group total Senior Secured Notes and Senior Notes	**5,646**	**6,595**
Within one year or on demand	—	—
Between one and three years	—	—
Between three and five years	—	—
Greater than five years	2,726	—
Unrestricted Group total Senior Secured Notes and Senior Notes	**2,726**	**—**

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

	At December 31, 2021 $'m	2020 $'m
Within one year or on demand	58	55
Between one and three years	71	67
Between three and five years	3,361	1,567
Greater than five years	2,415	5,141
Restricted Group total borrowings	**5,905**	**6,830**
Within one year or on demand	56	42
Between one and three years	55	46
Between three and five years	59	21
Greater than five years	2,757	36
Unrestricted Group total borrowings	**2,927**	**145**
Total borrowings	**8,832**	**6,975**
Deferred debt issue costs and bond discounts/bond premium	(123)	(114)
Net Borrowings	**8,709**	**6,861**

The maturity profile of the contractual undiscounted cash flows related to the Group's lease liabilities is as follows:

	2021 $'m	2020 $'m
Within one year	117	99
Between one and five years	279	212
Greater than five years	142	152
	538	**463**

The table below analyzes the Group's financial liabilities (including interest payable) into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contracted undiscounted cash flows.

At December 31, 2021	Borrowings $'m	Derivative financial instruments $'m	Trade and other payables $'m
Within one year or on demand	455	14	2,074
Between one and three years	804	4	—
Between three and five years	3,994	—	—
Greater than five years	5,490	—	—

At December 31, 2020	Borrowings $'m	Derivative financial instruments $'m	Trade and other payables $'m
Within one year or on demand	402	104	1,449
Between one and three years	714	26	—
Between three and five years	2,112	—	—
Greater than five years	5,467	—	—

The carrying amount and fair value of the Group's borrowings, excluding lease obligations, are as follows:

	Carrying value			
At December 31, 2021	Amount drawn $'m	Deferred debt issue costs and premium $'m	Total $'m	Fair value $'m
Loan notes	8,372	(119)	8,253	8,355
Global Asset Based Loan Facilities and other borrowings	20	(4)	16	20
	8,392	**(123)**	**8,269**	**8,375**

	Carrying value			
At December 31, 2020	Amount drawn $'m	Deferred debt issue costs and premium $'m	Total $'m	Fair value $'m
Loan notes	6,595	(112)	6,483	6,784
Global Asset Based Loan Facilities and other borrowings	14	(2)	12	14
	6,609	**(114)**	**6,495**	**6,798**

Financing activity

2021

On March 12, 2021, the Group, in connection with the Business Combination, issued €450 million 2.000% Senior Secured Notes due 2028, $600 million 3.250% Senior Secured Notes due 2028, €500 million 3.000% Senior Notes due 2029 and $1,050 million 4.000% Senior Notes due 2029. Details related to the transaction and use of proceeds from this issuance are outlined in note 1 – General information.

On August 15, 2021, the Group redeemed in full the remaining outstanding $800 million 6.000% Senior Notes due 2025 and paid applicable redemption premiums and accrued interest.

Lease obligations at December 31, 2021 of $440 million (December 31, 2020: $366 million), primarily reflects $202 million of new lease liabilities, offset by $128 million of principal repayments and foreign currency movements in the year ended December 31, 2021.

At December 31, 2021 the Group had $792 million available under the Global Asset Based Loan Facilities. On April 1, 2021, the Group reduced the size of Global Asset Based Loan Facility from $700 million to $500 million in connection with the designation of the AMP Entities as unrestricted subsidiaries. On August 6, 2021, AMP and certain of its subsidiaries entered into a Global Asset Based Loan Facility in the amount of $300 million. The amount increased to $325 million on September 29, 2021. The Group's $500 million Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.

2020

On April 8, 2020, the Group issued $500 million 5.250% Senior Secured Notes due 2025 and on April 9, 2020, the Group issued $200 million add-on 5.250% Senior Secured Notes due 2025. Net proceeds from the issuance of the notes were used to redeem in full a $300 million term loan credit facility on April 8, 2020 and for general corporate purposes.

On June 2, 2020, the Group issued $1,000 million 5.250% Senior Notes due 2027. The notes are non-fungible mirror notes to the $800 million 5.250% Senior Notes due 2027, issued in August, 2019. The net proceeds from the issuance of the notes were used to repurchase, by means of a tender and consent offer, approximately $900 million of the $1,700 million 6.000% Senior Notes due 2025, together with applicable redemption premium and accrued interest.

On June 4, 2020, the Group issued $715 million add-on 4.125% Senior Secured Notes due 2026. The notes are an add-on to the $500 million 4.125% Senior Secured Notes due 2026, issued in August, 2019. Proceeds from the issuance of the notes, net of expenses, were used to redeem in full the $695 million 4.250% Senior Secured Notes due 2022, together with applicable redemption premium and accrued interest.

On June 10, 2020, the Group issued €790 million 2.125% Senior Secured Notes due 2026. The notes are non-fungible mirror notes to the 2.125% Senior Secured Notes due 2026, issued in August, 2019. Proceeds from the issuance of the notes, net of expenses, were used to redeem in full the €741 million 2.750% Senior Secured Notes due 2024, together with applicable redemption premium and accrued interest.

On October 23, 2020, the Group launched a consent solicitation for consents from holders of the £400m 4.750% Senior Notes due 2027, to approve certain amendments to the Notes indentures. On November 4, 2020, the Group obtained majority consents in connection with this consent solicitation.

Lease obligations at December 31, 2020, of $366 million primarily reflect $86 million of new lease liabilities and $9 million of unfavorable foreign currency movements, partly offset by $93 million of principal repayments in the year ended December 31, 2020.

At December 31, 2020 the Group had $599 million available under the Global Asset Based Loan Facility.

Effective interest rates

The effective interest rates of borrowings at the reporting date are as follows:

	2021			2020		
	USD	EUR	GBP	USD	EUR	GBP
Restricted Group						
5.250% Senior Secured Notes due 2025	5.86 %	—	—	5.32 %	—	—
4.125% Senior Secured Notes due 2026	4.31 %	—	—	4.32 %	—	—
2.125% Senior Secured Notes due 2026 (€439 million)	—	2.33 %	—	—	2.33 %	—
2.125% Senior Secured Notes due 2026 (€790 million)	—	3.28 %	—	—	3.29 %	—
4.750% Senior Notes due 2027	—	—	4.99 %	—	—	4.99 %
5.250% Senior Notes due 2027 ($800 million)	5.50 %	—	—	5.50 %	—	—
5.250% Senior Notes due 2027 ($1,000 million)	6.42 %	—	—	6.42 %	—	—
Unrestricted Group						
2.000% Senior Secured Notes due 2028	—	2.30 %	—	—	—	—
3.250% Senior Secured Notes due 2028	3.58 %	—	—	—	—	—
3.000% Senior Notes due 2029	—	3.28 %	—	—	—	—
4.000% Senior Notes due 2029	4.31 %	—	—	—	—	—
		Various Currencies				
Lease obligations		4.79%			5.27 %	

The carrying amounts of the Group's net borrowings are denominated in the following currencies:

	At December 31, 2021 $'m	At December 31, 2020 $'m
Euro	2,528	1,549
U.S. dollar	5,550	4,687
British pound	593	583
Other	38	42
	8,709	**6,861**

The Group has the following undrawn borrowing facilities:

	At December 31, 2021 $'m	At December 31, 2020 $'m
Expiring within one year*	468	1
Expiring beyond one year	325	599
	793	**600**

*The Group's $500 million Ardagh Group Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.

Fair value methodology

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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) Cross currency interest rate swaps ("CCIRS") - The fair values of the CCIRS are based on quoted market prices and represent Level 2 inputs.

(iv) Commodity and foreign exchange derivatives - The fair value of these derivatives are based on quoted market prices and represent Level 2 inputs.

(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 Level 1 input.

Derivative financial instruments

	Assets	Liabilities	Total
	Fair values $'m	Fair values $'m	Contractual or notional amounts $'m
Fair value derivatives			
Metal forward contracts	100	2	281
Cross currency interest rate swaps	5	3	715
Forward foreign exchange contracts	14	13	2,917
NYMEX gas swaps	2	—	15
At December 31, 2021	**121**	**18**	**3,928**

	Assets	Liabilities	Total
	Fair values $'m	Fair values $'m	Contractual or notional amounts $'m
Fair value derivatives			
Metal forward contracts	29	6	346
Cross currency interest rate swaps	10	115	1,533
Forward foreign exchange contracts	5	9	682
NYMEX gas swaps	1	—	22
At December 31, 2020	**45**	**130**	**2,583**

Derivative instruments with a fair value of $12 million (2020: $9 million) are classified as non-current assets and $109 million (2020: $36 million) as current assets in the consolidated statement of financial position at December 31, 2021. Derivative instruments with a fair value of $4 million (2020: $26 million) are classified as non-current liabilities and $14 million (2020: $104 million) as current liabilities in the consolidated statement of financial position at December 31, 2021.

With the exception of interest on the CCIRS, all cash payments in relation to derivative instruments are paid or received when they mature. Bi-annual interest cash payments and receipts are made and received in relation to the CCIRS.

The Group mitigates the counterparty risk for derivatives by contracting with major financial institutions which have high credit ratings.

Cross currency interest rate swaps

2021

The Group hedges certain of its external borrowings and interest payable thereon using CCIRS, with a net asset position at December 31, 2021 of $2 million (December 31, 2020: $105 million net liability).

On February 15, 2021, a tranche of the Group's $700 million U.S. dollar to euro CCIRS matured. The fair value of the swap at maturity was $6 million and the cash settlement was $5 million.

On August 4, 2021, the remaining $650 million tranche of the Group's $700 million U.S. dollar to euro CCIRS matured. The fair value of the swaps at maturity were $61 million and the cash settlement was $63 million.

On August 4, 2021, a tranche of the Group's $100 million U.S. dollar to euro CCIRS matured. The fair value of the swaps at maturity were $4 million and the cash settlement was $4 million.

2020

The Group hedges certain of its external borrowings and interest payable thereon using CCIRS, with a net liability at December 31, 2020 of $105 million.

Net investment hedge in foreign operations

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Hedges of net investments in foreign operations are accounted for whereby any gain or loss on the hedging instruments relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to an ineffective portion is recognized immediately in the consolidated income statement within finance income or expense respectively. Gains and losses accumulated in other comprehensive income are recycled to the consolidated income statement when the foreign operation is disposed of. The amount that has been recognized in the consolidated income statement due to ineffectiveness is $1 million (2020: $1 million).

Metal forward contracts

The Group hedges a substantial portion of its anticipated metal purchases. Excluding conversion and freight costs, the physical metal deliveries are priced based on the applicable indices agreed with the suppliers for the relevant month.

Fair values have been based on quoted market prices and are valued using Level 2 valuation inputs. The fair value of these contracts when initiated is $nil; no premium is paid or received.

Forward foreign exchange contracts

The Group operates in a number of currencies and, accordingly, hedges a portion of its currency transaction risk. The fair values are based on Level 2 valuation techniques and observable inputs including the contract prices. The fair value of these contracts when initiated is $nil; no premium is paid or received.

NYMEX gas swaps

The Group hedges a portion of its Ardagh Glass Packaging North America anticipated energy purchases on the New York Mercantile Exchange ("NYMEX").

Fair values have been based on NYMEX-quoted market prices and Level 2 valuation inputs have been applied. The fair value of these contracts when initiated is $nil; no premium is paid or received.

20. Employee benefit obligations

The Group operates defined benefit or defined contribution pension schemes in most of its countries of operation and the assets are held in separately administered funds. The principal funded defined benefit schemes, which are funded by contributions to separately administered funds, are in the United States and the United Kingdom.

Other defined benefit schemes are unfunded, and the provision is recognized in the consolidated statement of financial position. The principal unfunded schemes are in Germany.

The contribution rates to the funded plans are agreed with the Trustee boards, plan actuaries and the local pension regulators periodically. The contributions paid in 2021 were those recommended by the actuaries.

In addition, the Group has other employee benefit obligations in certain territories.

Total employee obligations, net of employee benefit assets included within non-current assets, recognized in the consolidated statement of financial position of $559 million (2020: $811 million) includes other employee benefit obligations of $100 million (2020: $117 million).

The employee obligations and assets of the defined benefit schemes included in the consolidated statement of financial position are analyzed below:

	U.S.		Germany		UK*		Other		Total	
	2021 $'m	2020 $'m	2021 $'m	2020 $'m	2021 $'m	2020 $'m	2021 $'m	2020 $'m	2021 $'m	2020 $'m
Obligations	(1,330)	(1,403)	(182)	(194)	(782)	(892)	(28)	(29)	**(2,322)**	**(2,518)**
Assets	1,179	1,151	—	—	672	663	12	10	**1,863**	**1,824**
Net obligations	**(151)**	**(252)**	**(182)**	**(194)**	**(110)**	**(229)**	**(16)**	**(19)**	**(459)**	**(694)**

* The net employee benefit asset in the UK metal packaging scheme as at December 31, 2021 is included within non-current assets on the statement of financial position (2020: included on a net basis within non-current liabilities).

Defined benefit pension schemes

The amounts recognized in the consolidated income statement are:

	Year ended December 31, 2021 $'m	2020 $'m
Current service cost and administration costs:		
Cost of sales - current service cost (Note 7)	(28)	(27)
Cost of sales - past service credit (Note 7)	19	8
SGA - current service cost (Note 7)	(3)	(4)
	(12)	**(23)**
Finance expense (Note 5)	(11)	(14)
	(23)	**(37)**

The amounts recognized in the consolidated statement of comprehensive income are:

	Year ended December 31,	
	2021	2020
	$'m	$'m
Re-measurement of defined benefit obligation:		
Actuarial gain arising from changes in demographic assumptions	11	38
Actuarial gain/(loss) arising from changes in financial assumptions	67	(250)
Actuarial gain arising from changes in experience	11	9
	89	**(203)**
Re-measurement of plan assets:		
Actual return less expected return on plan assets	108	147
Actuarial gain/(loss) for the year on defined benefit pension schemes	**197**	**(56)**
Actuarial gain/(loss) on other long term and end of service employee benefits	14	(12)
	211	**(68)**

The actual return on plan assets was a gain of $140 million in 2021 (2020: $191 million gain).

Movement in the defined benefit obligations and assets:

	At December 31,			
	Obligations		Assets	
	2021	2020	2021	2020
	$'m	$'m	$'m	$'m
At January 1,	(2,518)	(2,349)	1,824	1,734
Interest income	—	—	32	44
Current service cost	(26)	(25)	—	—
Past service credit - net	19	3	—	—
Interest cost	(41)	(56)	—	—
Administration expenses paid from plan assets	—	—	(1)	(1)
Re-measurements	89	(203)	108	147
Obligations/(assets) extinguished on reclassification	1	32	(1)	(32)
Employer contributions	—	—	34	40
Employee contributions	(1)	—	1	—
Benefits paid	125	130	(125)	(130)
Exchange	30	(50)	(9)	22
At December 31,	**(2,322)**	**(2,518)**	**1,863**	**1,824**

The defined benefit obligations above include $189 million (2020: $203 million) of unfunded obligations. Interest income and interest cost above does not include interest cost of $2 million (2020: $2 million) relating to other employee benefit obligations. Current service costs above do not include current service costs of $5 million (2020: $6 million) relating to other employee benefit obligations.

During the year ended December 31, 2021, the Group and the Trustees of the UK metal packaging and glass packaging schemes collaborated to implement a Bridging Pension Option for members on retirement around the starting level of pensions until the State Pension Age. This resulted in the recognition of a gain of $14 million within the income statement for the year ended December 31, 2021.

During the year ended December 31, 2021, the Group recognized a $3 million past service credit in respect of the re-design of the pension plans in Ardagh Glass Packaging Germany, moving from a current defined benefit scheme into a contribution orientated scheme.

During the year ended December 31, 2021, the Group recognized a $2 million past service credit related to a plan amendment in Ardagh Glass Packaging North America.

During December 31, 2020, the Group recognized an exceptional expense of $5 million in relation to the 2019 Collective Bargaining Agreement in Ardagh Glass Packaging North America.

During the year ended December 31, 2020, the Group recognized an $8 million past service credit in respect of the re-design of the pension plans in Ardagh Metal Packaging Germany, moving from a current defined benefit scheme into a contribution orientated scheme.

Plan assets comprise:

	At December 31,			
	2021 $'m	**2021 %**	**2020 $'m**	**2020 %**
Equities / multi strategy	1,140	61	1,121	61
Target return funds	255	14	256	14
Bonds	225	12	229	13
Cash/other	243	13	218	12
	1,863	**100**	**1,824**	**100**

The pension assets do not include any of the Company's ordinary shares, securities or other Group assets.

Investment strategy

The choice of investments takes account of the expected maturity of the future benefit payments. The plans invest in diversified portfolios consisting of an array of asset classes that attempt to maximize returns while minimizing volatility. The asset classes include national and international equities, fixed income government and non-government securities and real estate, as well as cash.

Characteristics and associated risks

Ardagh Glass Packaging North America and Ardagh Metal Packaging Americas sponsor a defined benefit pension plan which is subject to Federal law ("ERISA"), reflecting regulations issued by the Internal Revenue Service ("IRS") and the U.S. Department of Labor. Effective as of the end of the day on December 31, 2021, assets and liabilities for employees and former employees of Ardagh Metal Packaging Americas were transferred to a new plan, the Ardagh Metal Defined Benefit Plan.

The Ardagh Glass Packaging North America plan covers both hourly and salaried employees. The plan benefits are determined using a formula which reflects an employee's years of service and either their final average salary or a dollar per month benefit level. The plan is governed by a Fiduciary Benefits Committee ("the Committee") which is appointed by the Company and contains only employees of Ardagh Group. The Committee is responsible for the investment of the plan's assets, which are held in a trust for the benefit of employees, retirees and their beneficiaries, and which can only be used to pay plan benefits and expenses.

The defined benefit pension plan is subject to IRS funding requirements with actuaries calculating the minimum and maximum allowable contributions each year. The defined benefit pension plan currently has no cash contribution requirement due to the existence of a credit balance following a contribution of approximately $200 million made in 2014 in connection with the acquisition of Verallia North America. The Pension Benefit Guaranty Corporation ("PBGC") protects the pension benefits of employees and retirees when a plan sponsor becomes insolvent and can no longer meet its obligation. All plan sponsors pay annual PBGC premiums that have two components: a fixed rate based on participant count and a variable rate which is determined based on the amount by which the plan is underfunded.

The Ardagh Metal Packaging Americas plan covers hourly employees only. Plan benefits are determined using a formula which reflects the employees' years of service and is based on a final average pay formula.

The Group operates a number of defined benefit pension schemes in Germany. The pension plans in Germany operate under the framework of German Company Pension Law (BetrAVG) and general regulations based on German labor law. The entitlements of the plan members depend on years of service and final salary. Furthermore, the plans provide lifelong pensions. No separate assets are held in trust, i.e. the plans are unfunded defined benefit plans. During the years ended December 31, 2021 and 2019, the Group elected to re-design its pension schemes in Germany, moving to a contribution orientated scheme.

The U.K. pension plans are trust-based U.K. funded final salary defined benefit schemes providing pensions and lump sum benefits to members and dependents. There is one U.K. pension plan in place relating to Ardagh Metal Packaging Europe. It is closed to new entrants and was closed to future accrual effective December 31, 2018. For this plan, pensions are calculated based on service to retirement, with members' benefits based on final career earnings. There are two U.K. pension plans in place in Ardagh Glass Packaging Europe. The U.K. pension plans relating to Ardagh Glass Packaging Europe have been closed to future accrual from March 31, 2013 and September 30, 2015 respectively. The U.K. pension plans are each governed by a board of trustees, which includes members who are independent of the Company. The trustees are responsible for managing the operation, funding and investment strategy. The U.K. pension plans are subject to the U.K. regulatory framework, the requirements of The Pensions Regulator and are subject to a statutory funding objective.

Assumptions and sensitivities

The principal pension assumptions used in the preparation of the financial statements take account of the different economic circumstances in the countries of operations and the different characteristics of the respective plans, including the duration of the obligations. The ranges of the principal assumptions applied in estimating defined benefit obligations were:

	U.S.		Germany		UK	
	2021 %	2020 %	2021 %	2020 %	2021 %	2020 %
Rates of inflation	2.20	2.50	1.70	1.50	3.20	2.75
Rates of increase in salaries	3.00	3.00	2.50	2.50	2.75	2.25
Discount rates	2.90 - 3.04	2.55	0.91 - 1.18	0.84 - 1.08	1.90	1.45 - 1.50

Assumptions regarding future mortality experience are based on actuarial advice in accordance with published statistics and experience.

These assumptions translate into the following average life expectancy in years for a pensioner retiring at age 65. The mortality assumptions for the countries with the most significant defined benefit plans are set out below:

	U.S.		Germany		UK	
	2021 Years	2020 Years	2021 Years	2020 Years	2021 Years	2020 Years
Life expectancy, current pensioners	22	22	22	22	22	20
Life expectancy, future pensioners	23	23	25	25	23	22

If the discount rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would increase by an estimated $176 million (2020: $204 million). If the discount rate were to increase by 50 basis points, the carrying amount of the pension obligations would decrease by an estimated $157 million (2020: $182 million).

If the inflation rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated $46 million (2020: $65 million). If the inflation rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated $50 million (2020: $68 million).

If the salary increase rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated $51 million (2020: $67 million). If the salary increase rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated $56 million (2020: $71 million).

The impact of increasing the life expectancy by one year would result in an increase in the Group's liability of $74 million at December 31, 2021 (2020: $80 million), holding all other assumptions constant.

The Group's best estimate of contributions expected to be paid to defined benefit plans in 2022 is $27 million (2021: $27 million).

The principal defined benefit schemes are described briefly below as of December 31:

	Ardagh Metal Packaging			Ardagh Glass Packaging		
	Europe UK*	Europe Germany	North America	Europe UK*	Europe Germany	North America
Nature of the schemes	**Funded**	**Unfunded**	**Funded**	**Funded**	**Unfunded**	**Funded**
2021						
Active members	—	816	808	—	863	1,457
Deferred members	589	202	75	1,056	674	2,409
Pensioners including dependents	531	154	83	885	780	6,724
Weighted average duration (years)	18	19	20	20	14	12
2020						
Active members	—	856	829	—	922	3,462
Deferred members	808	195	58	1,240	682	2,631
Pensioners including dependents	475	121	59	815	779	6,689
Weighted average duration (years)	20	20	21	21	19	12

* Census data is updated every 3 years as part of the full valuation for purpose of the UK pension regulator.

The expected total benefit payments over the next five years are:

	2022 $'m	2023 $'m	2024 $'m	2025 $'m	2026 $'m	Subsequent five years $'m
Benefits	122	119	121	123	125	644

The Group also has defined contribution plans; the contribution expense associated with these plans for 2021 was $51 million (2020: $47 million). The Group's best estimate of the contributions expected to be paid to these plans in 2022 is $52 million (2021: $50 million).

Other employee benefits

	At December 31, 2021 $'m	2020 $'m
End of service employee benefits	2	3
Post-employment benefits	98	114
	100	**117**

End of service employee benefits principally comprise amounts due to be paid to employees leaving the Group's service in Poland and Italy.

Post-employment benefit obligations comprise amounts due to be paid under post-retirement medical schemes in Ardagh Glass Packaging North America and Ardagh Metal Packaging Americas, partial retirement contracts in Germany and other obligations to pay benefits primarily related to long service awards.

21. Provisions and other liabilities

	At December 31, 2021 $'m	2020 $'m
Provisions		
Current	46	50
Non-current	57	55
Other liabilities		
Non-current	33	—
	136	**105**

Provisions

	Restructuring $'m	Other provisions $'m	Total provisions $'m
At January 1, 2020	**5**	**72**	**77**
Provided	1	49	50
Released	(1)	(7)	(8)
Paid	(1)	(15)	(16)
Exchange	—	2	2
At December 31, 2020	**4**	**101**	**105**
Acquisition	—	17	17
Provided	1	38	39
Released	(4)	(16)	(20)
Paid	—	(36)	(36)
Exchange	—	(2)	(2)
At December 31, 2021	**1**	**102**	**103**

The restructuring provision relates to redundancy and other restructuring costs. Other provisions relate to probable environmental claims, customer quality claims, tax deferrals arising from the CARES Act., and specifically in Ardagh Glass Packaging North America, workers' compensation provisions. In addition to the aforementioned, provisions also include non-current amounts in respect of annual, long-term (three-year), cash bonus incentive programs for senior management of the Group, of approximately $24 million. Current amounts in respect of long term incentive programs are included in trade and other payables.

The provisions classified as current are expected to be paid in the next twelve months. The remaining balance represents longer term provisions for which the timing of the related payments is subject to uncertainty.

Other Liabilities

As further outlined in note 1 all warrants previously exercisable for the purchase of shares in Gores Holdings V were converted into AMP warrants exercisable for the purchase of shares in AMP at an exercise price of $11.50 over a five-year period after closing of the Merger. In accordance with IAS 32, those warrants have been recognized as a financial liability measured at fair value in the consolidated financial statements. The estimated valuation of the liability as of August 4 and December 31, 2021 were $41 million and $33 million, respectively. The initial recognition of the liability as of August 4, was reflected as part of the exceptional $205 million costs of the service for the listing of the AMP shares discussed in note 24. Any subsequent changes in the valuation have been reflected in net exceptional finance expense. The warrants issued to former public shareholders of Gores Holdings V ("Public Warrants") were valued using the traded closing price of the AMP warrants. For the warrants issued to the former sponsors ("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 (34%) and risk-free rate. Any increase or decrease in volatility of 5% would result in an increase or decrease in the fair value of the Private Warrants of approximately $1 million.

22. Trade and other payables

	At December 31, 2021 $'m	2020 $'m
Trade payables	1,607	1,137
Other payables and accruals	362	275
Other tax and social security payable	114	130
Payables and accruals for exceptional items	105	37
	2,188	**1,579**

The fair values of trade and other payables approximate the amounts shown above.

Other payables and accruals mainly comprise accruals for operating expenses, deferred income and value added tax payable.

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.

23. Cash generated from operating activities

	Year ended December 31, 2021 $'m	2020 $'m
(Loss)/profit from continuing operations	**(766)**	**13**
Income tax (credit)/charge (Note 6)	(18)	10
Net finance expense (Note 5)	377	338
Depreciation and amortization (Notes 8, 9)	746	688
Exceptional operating items (Note 4)	851	58
Share of post-tax loss in equity accounted joint venture (Note 11)	55	48
Movement in working capital	(86)	(31)
Transaction-related, start-up and other exceptional costs paid	(200)	(86)
Exceptional restructuring paid	—	(1)
Cash generated from continuing operations	**959**	**1,037**

24. Non- controlling interests

As a result of the completion of the Business Combination and the completion of the Exchange Offer as outlined in note 1 – General information, Ardagh holds approximately 75.3% in AMP, with the balance of 24.7% represented by non-controlling interests. For further details around initial composition of these holdings, please refer to note 1 – General information.

The effect on the equity attributable to the owners of AMP is summarized as follows:

	At December 31, 2021 $'m
Carrying amount of non-controlling interests disposed	(57)
Consideration received from non-controlling interests *	922
Excess of consideration received recognized in the transactions with the non-controlling interests reserve within retained earnings	**865**

*Total consideration is comprised of $954 million cash received, offset by $32 million of directly attributable transaction costs related to the issuance of the non-controlling interest, of which $29 million have been paid as of December 31, 2021. Further consideration comprises $392 million of AMP shares exchanged in relation to the exchange offer as outlined in note 1 – General information.

The effect on the equity of the cancellation of tendered shares as a result of the exchange offer as outlined in note 1 – General information is summarized as follows:

	At December 31, 2021 $'m
Carrying amount of non-controlling interests disposed	(18)
Consideration received from non-controlling interests *	392
Excess of consideration received recognized in the transactions with the non-controlling interests reserve within retained earnings	**374**

* Total consideration is calculated by reference to the 39,388,152 AMP shares exchanged and valued at the closing price as of October 5, 2021 of $9.94. The Group initially presented the consideration paid for such treasury shares as a deduction of equity within other reserves in addition to $5 million of directly related expense, of which $4 million have been paid as of December 31, 2021. Subsequently those treasury shares have been cancelled and a total amount of $397 million has been reclassified from other reserves to retained earnings. No gain or loss has been recognized on the exchange offer or the subsequent cancellation.

Upon the completion of the Business Combination and the exchange offer, both outlined in note 1 – General information, a historical cumulative loss of $5 million in the foreign currency translation reserve has been re-attributed to the new non-controlling interest.

Summarized financial information, as of the date these consolidated financial statements were authorized for issue, for AMP for the year ended and as at December 31, 2021 is set out below:

	Year ended December 31,
	2021 (i)
	$'m
Revenue	4,055
Expenses	(4,008)
Operating profit	**47**
Net finance expense	(235)
Loss before tax	**(188)**
Income tax expense	(22)
Loss after tax	**(210)**

(i) The income statement for the year ended December 31, 2021 includes exceptional items of $312 million, in accordance with Ardagh accounting policy, of which $57 million is in respect of exceptional interest expense. Also included is $178 million of non-exceptional interest expense and $343 million of depreciation and amortization.

	At December 31,
	2021
	$'m
Non-current assets	3,664
Current assets (ii)	1,661
Total assets	**5,325**
Total equity	**286**
Non-current liabilities (iii)	3,639
Current liabilities (iv)	1,400
Total liabilities	**5,039**
Total equity and liabilities	**5,325**

(ii) Includes cash and cash equivalents of $0.5 billion.

(iii) Includes non-current financial liabilities (excluding other payables and provisions) of $3.3 billion.

(iv) Includes current financial liabilities (excluding trade and other payables and provisions) of $0.1 billion.

As at December 31, 2021, AMP had net debt of $2.4 billion.

No dividend has been paid to the non-controlling interest during the year ended December 31, 2021.

Management exercised significant judgment when accounting for the Merger under IFRS 2. The difference in the fair value of equity instruments issued by AMP, over the fair value of identifiable net assets of Gores Holdings V (including the fair value of assumed Gores Public and Private Warrants of $41 million – see note 21) represents a service for listing of the shares in AMP and is accounted for as a share-based payment expense in accordance with IFRS 2.

In accordance with IFRS 2, the increase in equity for equity-settled share-based payments are measured directly at the fair value of the goods or services received. Management have used the market value of the Gores Holdings V equity and warrants as the basis for estimating the market value of the instruments to be issued by AMP as the Gores Holdings V instruments (equity and warrants) were publicly traded at the time of the Merger.

The cost of such service, which is a fully vested non-cash and non-recurring expense, is calculated as shown in the table below, using Gores Holdings V market prices as of August 4, 2021 (the "Closing Date") for the Gores Holdings V Class A common stock to be exchanged for shares in AMP.

	Shares	$'m
Class A stockholders	30,175,827	
Class F stockholders	9,843,750	
Total shares to be issued to Gores Holdings V stockholders	**40,019,577**	
Market value per share at the Closing Date	$10.59	
Fair value of shares to be issued to Gores Holdings V in consideration for combination		**424**
Net assets of Gores Holdings V at Closing Date (including fair value of assumed Public and Private Warrants as discussed in note 21)		219
Difference – being IFRS 2 charge for listing services		**205**

The cost for the listing service of $205 million have been presented as an exceptional item as outlined in note 4, with an offset in other reserves of $164 million and in provisions and other liabilities of $41 million (see note 21), respectively.

25. Business combinations and disposals

On October 31, 2019, the Group completed the combination of Food & Specialty metal packaging business with the business of Exal to form Trivium. Consequently, from October 31, 2019, Food & Specialty metal packaging business has been accounted for as a discontinued operation. During the year ended December 31, 2020, the Group recognized a credit of $22 million, primarily as a result of a gain arising from the remeasurement of consideration for the disposal. The net proceeds from disposal is $32 million in the year ended December 31, 2020.

Please refer to note 8 – Intangible assets for disclosure around the Hart Print acquisition and note 9 – Property, plant and equipment for disclosure around the Longhorn glass manufacturing facility acquisition.

26. Dividends

	Year ended December 31,	
	2021 $'m	2020 $'m
Cash dividends on common shares declared and paid:		
Interim dividend: $0.15 per share (2020: $0.14 per share)	(35)	(33)
Interim dividend: $0.15 per share (2020: $0.15 per share)	(36)	(36)
Interim dividend: $0.15 per share (2020: $0.15 per share)	(35)	(35)
Interim dividend: $nil per share (2020: $0.15 per share)	—	(35)
Special cash dividend: $1.25 per share	(296)	—
	(402)	**(139)**
Cash dividends on common shares declared, not paid:		
Special cash dividend for 2021: $3.52 per share	(777)	—
	(1,179)	**(139)**

On February 15, 2021, the Company approved a cash dividend of $0.15 per common share. The dividend of $35 million was paid on April 1, 2021 to shareholders of record on March 18, 2021.

On April 28, 2021, the Company approved a cash dividend of $0.15 per common share. The dividend of $36 million was paid on June 16, 2021 to shareholders of record on June 2, 2021.

On August 2, 2021, the Company approved a cash dividend of $0.15 per common share. The dividend of $35 million was paid on October 1, 2021 to shareholders of record on September 17, 2021.

On September 22, 2021, the Company approved a special cash dividend of $1.25 per common share. The dividend of $296 million was paid on October 12, 2021 to shareholders of record on October 4, 2021.

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

27. Related party information

(i) Interests of Paul Coulson

At the date of this report, ARD Holdings S.A. is controlled by Paul Coulson, our Chairman, as a result of his 19.24% stake in ARD Holdings S.A. and his 52.42% stake in Yeoman Capital S.A., which in turn owns 34.42% of the equity interests in ARD Holdings S.A..

(ii) Common directorships

Four of the ARD Holdings S.A. directors (Paul Coulson, Brendan Dowling, Gerald Moloney and Hermanus Troskie) also serve as directors in the Yeoman group of companies. With the exception of Abigail Blunt, Oliver Graham, The Rt. Hon. the Lord Hammond of Runnymede, Damien O'Brien and Edward White, all of the directors of Ardagh Group S.A. are members of the board of directors of ARD Holdings S.A..

(iii) Joint ventures

The Group's interests held in joint ventures are related parties and these are set out in further detail in notes 10 and 11. Transactions with joint ventures were not material for any of the years presented.

(iv) Key management compensation

Key management are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group. Key management is comprised of the members who served on the Board and the Group's executive leadership team during the reporting period. The amount outstanding at year end was $8 million (2020: $8 million).

	Year ended December 31,	
	2021 **$'m**	**2020** **$'m**
Salaries and other short-term employee benefits	20	18
Post-employment benefits	1	1
	21	**19**
Transaction related and other compensation	101	1
	122	**20**

(v) Pension schemes

The Group's pension schemes are related parties. For details of all transactions during the year, please see Note 20.

(vi) Related party balances

At December 31, 2021, the Group had a related party loan receivable balance of $23 million (December 31, 2020: nil) with ARD Finance S.A.. This was a short term loan, which has been repaid in January 2022. With the exception of this, and the balances outlined in (i) to (v) above, there are no material balances outstanding with related parties at December 31, 2021.

(vii) Related party transactions

During the reporting period, the Company and its subsidiaries entered into transactions relating to non-executive director and office rental fees with members of the Maitland group of companies with Hermanus Troskie being a director of the Company as well as a shareholder and director of Maitland International Holdings Plc.

(viii) Toggle / PIK Notes

In November 2019, ARD Finance S.A. issued the Toggle Notes to, among other things, refinance certain toggle notes issued by it in September 2016 (the "September 2016 Toggle Notes") and certain PIK notes issued by ARD Securities Finance Sarl in January 2018 ("January 2018 PIK Notes"). Certain directors of the Company that held September 2016 Toggle Notes and January 2018 PIK Notes prior to the refinancing acquired and hold Toggle Notes issued in the refinancing.

(ix) Subsidiaries

The following table provides information relating to our principal operating subsidiaries at December 31, 2021.

Company	Country of incorporation	Activity
Ardagh Metal Beverage Manufacturing Austria GmbH	Austria	Metal Packaging
Ardagh Metal Beverage Trading Austria GmbH	Austria	Metal Packaging
Latas Indústria de Embalagens de Alumínio do Brasil Ltda.	Brazil	Metal Packaging
Ardagh Indústria de Embalagens de Metálicas do Brasil Ltda.	Brazil	Metal Packaging
Hart Print Inc.	Canada	Metal Packaging
Ardagh Glass Holmegaard A/S	Denmark	Glass Packaging
Ardagh Metal Beverage Trading France SAS	France	Metal Packaging
Ardagh Metal Beverage France SAS	France	Metal Packaging
Ardagh Glass GmbH	Germany	Glass Packaging
Heye International GmbH	Germany	Glass Engineering
Ardagh Metal Beverage Trading Germany GmbH	Germany	Metal Packaging
Ardagh Metal Beverage Germany GmbH	Germany	Metal Packaging
Ardagh Glass Sales Limited	Ireland	Glass Packaging
Ardagh Glass Italy S.r.l.	Italy	Glass Packaging
Ardagh Glass Dongen B.V.	Netherlands	Glass Packaging
Ardagh Glass Moerdijk B.V.	Netherlands	Glass Packaging
Ardagh Metal Beverage Trading Netherlands B.V.	Netherlands	Metal Packaging
Ardagh Metal Beverage Netherlands B.V.	Netherlands	Metal Packaging
Ardagh Glass S.A.	Poland	Glass Packaging
Ardagh Metal Beverage Trading Poland Sp. z o.o	Poland	Metal Packaging
Ardagh Metal Beverage Poland Sp. z o.o	Poland	Metal Packaging
Ardagh Metal Beverage Trading Spain SL	Spain	Metal Packaging
Ardagh Metal Beverage Spain SL	Spain	Metal Packaging
Ardagh Glass Limmared AB	Sweden	Glass Packaging
Ardagh Metal Beverage Europe GmbH	Switzerland	Metal Packaging
Ardagh Glass Limited	United Kingdom	Glass Packaging
Ardagh Metal Beverage Trading UK Limited	United Kingdom	Metal Packaging
Ardagh Metal Beverage UK Limited	United Kingdom	Metal Packaging
Ardagh Metal Beverage USA Inc.	United States	Metal Packaging
Ardagh Glass Inc.	United States	Glass Packaging
Ardagh Glass Packaging USA Inc.	United States	Glass Packaging

28. 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, will have a material adverse effect on its business, financial condition, results of operations or cash flows.

29. Other information

Cyber security incident and insurance recoverable

On May 17, 2021, the Group announced that it had experienced a cyber security incident, the response to which included pro-actively shutting down certain IT systems and applications used by the business. Key systems were brought back online securely, in a phased manner and in line with our plan. Production at all of our manufacturing facilities continued to operate throughout this period, though we experienced some shipping delays as a result of this incident.

We believe that our existing information technology control environment is appropriately robust and consistent with industry standards. However, we are reviewing our information technology roadmap and accelerating planned IT investments to further improve the effectiveness of our information security. We do not believe that our growth investment program has been impacted by this incident. The Group notified relevant authorities in relation to the exfiltration and dissemination of data which arose in connection with this incident. We do not expect further material costs to arise from the incident.

During the year ended December 31, 2021, the Group recognized $63 million of costs related to this incident, including $34 million of exceptional costs. AMP incurred $31 million of the total Group costs, including $5 million exceptional related costs, due to this incident, which the Company indemnified in full by December 31, 2021, pursuant to a letter agreement with AMP, dated May 21, 2021, under which we agreed to indemnify, defend and hold harmless AMP, its subsidiaries and their respective successors from and against any and all losses that were incurred prior to December 31, 2021, resulting from this cyber security incident. In accordance with our insurance recoverable accounting policy, the Group recognized an insurance recoverable of $35 million at December 31, 2021, being $58 million in relation to costs deemed virtually certain to be recovered based on the demonstratable entitlement to such recovery, net of $23 million of insurance proceeds received. The remaining $35 million was received in January 2022.

30. Events after the reporting period

Exchange offer toggle notes

On December 15, 2021, the Parent Company commenced a tender offer to holders of the Toggle Notes to use approximately $485 million (equivalent) towards the repurchase of its outstanding Toggle Notes. Based on the prevailing exchange rate as of the expiration date on January 14, 2022 , the total amount available in escrow to fund the repurchases, including premium and accrued and unpaid interest was $486 million (equivalent) (the "Maximum Escrow Offer Acceptance Amount"). In accordance with the tender offer, the Parent Company made pro rata allocations for amounts accepted for repurchase up to the Maximum Escrow Offer Acceptance Amount and applied amounts in excess to the Maximum Escrow Offer Acceptance Amount on a discretionary basis. As a result, on January 19, 2022 €204 million were redeemed from the Euro Toggle Notes and $235 million were redeemed from the Dollar Toggle Notes.

Global Asset Based Loan Facility Extension

The Group’s $500 million Global Asset Based Loan Facility was extended for five years (subject to customary closing procedures) on February 16, 2022.

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