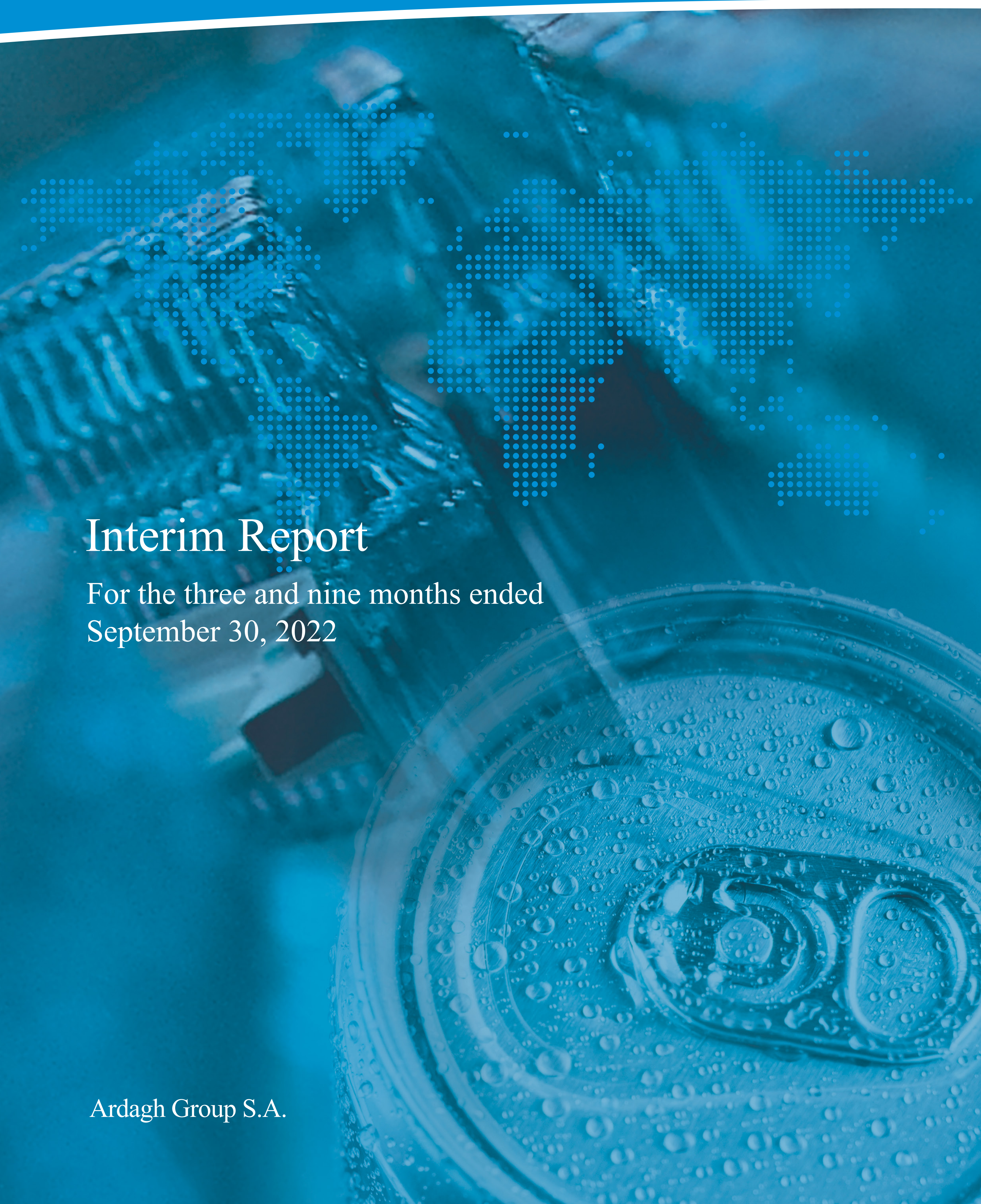
ArdaghGroup



# Interim Report

For the three and nine months ended
September 30, 2022

Ardagh Group S.A.

**INDEX TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Ardagh Group S.A.**

**Unaudited Consolidated Interim Financial Statements**



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

## SELECTED FINANCIAL INFORMATION

*The following discussion should be read together with, and is qualified in its entirety by, reference to the Unaudited Consolidated Interim Financial Statements for the three and nine months ended September 30, 2022 including the related notes thereto. As used in this section, the "Group" refers to Ardagh Group S.A. and its subsidiaries.*

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

The following table sets forth summary consolidated financial information for the Group.

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Income Statement Data** | (in $ millions except percentages) | | (in $ millions except percentages) | |
| Revenue | 2,344 | 1,942 | 6,827 | 5,590 |
| | | | | |
| **Adjusted EBITDA [1]** | **332** | **336** | **941** | **961** |
| Depreciation and amortization | (195) | (185) | (581) | (548) |
| Exceptional items [3] | (39) | (246) | (98) | (286) |
| Net finance expense [4] | (84) | (106) | (213) | (287) |
| Share of post-tax (loss)/profit in equity accounted joint venture | (1) | (10) | 14 | (47) |
| **Profit/(loss) before tax** | **13** | **(211)** | **63** | **(207)** |
| Income tax charge | (18) | (20) | (28) | (46) |
| **(Loss)/profit for the period** | **(5)** | **(231)** | **35** | **(253)** |
| | | | | |
| **Other Data** | | | | |
| Adjusted EBITDA margin [1] | 14.2% | 17.3% | 13.8% | 17.2% |
| Interest expense [5] | 113 | 94 | 310 | 263 |
| Maintenance capital expenditure [6] | 126 | 98 | 352 | 255 |
| Growth investment capital expenditure [6] | 113 | 157 | 388 | 429 |

| **Balance Sheet Data** | As at September 30, 2022 | As at December 31, 2021 |
|---|---|---|
| | (in $ millions except ratios) | |
| Cash and cash equivalents [7] | 1,183 | 2,909 |
| Working capital [8] | 912 | 263 |
| Total assets | 11,541 | 11,914 |
| Total equity | (927) | (1,024) |
| Net borrowings [9] | 9,308 | 8,709 |
| Net debt [10] | 8,084 | 5,798 |
| AGSA Group ratio of net debt to LTM Adjusted EBITDA [1,10,11] | 6.6x | 4.7x |
| AGSA Group ratio of net debt to pro-forma LTM Adjusted EBITDA * [1,10,11] | 6.1x | |
| | | |
| **Supplemental Pro Forma Information** | | |
| ARGID Restricted Group pro-forma leverage ratio [2,10,12] | 5.9x | N/A |

* AGSA Group pro-forma LTM Adjusted EBITDA used to calculate the ratio of net debt to pro-forma LTM Adjusted EBITDA is an unaudited pro-forma last twelve months adjusted EBITDA, as if the acquisition of Consol Holdings Proprietary Limited ("Consol"), which took place on April 29, 2022, had occurred on October 1, 2021.

All footnotes are on page 11 and 12 of this document.

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

**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 or through the levying of surcharges in respect of shorter-term cost increases; (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, South African Rand and Brazilian real.

***Ardagh Metal Packaging***

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

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

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

***Ardagh Glass Packaging***

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

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

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

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

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

**Supplemental Management's Discussion and Analysis**

***Key operating measures***

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

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

**Financial Performance Review**

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

Group Adjusted EBITDA in the three months ended September 30, 2022 decreased by $46 million, or 12%, to $332 million, compared with $378 million in the three months ended September 30, 2021. Excluding foreign currency translation effects of $32 million, Adjusted EBITDA in the three months ended September 30, 2022 decreased by 4% or $14 million compared with pro-forma Adjusted EBITDA for the same period last year.

Group pro-forma Adjusted EBITDA in the nine months ended September 30, 2022 decreased by $92 million, or 8%, to $991 million, compared with $1,083 million in the nine months ended September 30, 2021. Excluding foreign currency translation effects of $68 million, pro-forma Adjusted EBITDA in the nine months ended September 30, 2022 decreased by 2% or $24 million compared with the same period last year.

***Three months ended September 30, 2022 compared with three months ended September 30, 2021***

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

| Revenue | Ardagh Metal Packaging Europe | Ardagh Metal Packaging Americas | Ardagh Glass Packaging Europe & Africa | Ardagh Glass Packaging North America | Group |
|---|---|---|---|---|---|
| | $'m | $'m | $'m | $'m | $'m |
| | | | Pro-forma | | Pro-forma |
| **Reported Revenue 2021** | **483** | **555** | **460** | **444** | **1,942** |
| Acquisition | — | — | 164 | — | 164 |
| **Pro-forma Revenue 2021** | **483** | **555** | **624** | **444** | **2,106** |
| Movement | 80 | 125 | 168 | 23 | 396 |
| FX translation | (70) | — | (88) | — | (158) |
| **Revenue 2022** | **493** | **680** | **704** | **467** | **2,344** |

| Adjusted EBITDA | Ardagh Metal Packaging Europe | Ardagh Metal Packaging Americas | Ardagh Glass Packaging Europe & Africa | Ardagh Glass Packaging North America | Total Reportable Segments | AMP Indemnity* | Group |
|---|---|---|---|---|---|---|---|
| | $'m | $'m | $'m | $'m | $'m | $'m | $'m |
| | | | Pro-forma | | Pro-forma | | Pro-forma |
| **Reported Adj. EBITDA 2021** | **76** | **100** | **104** | **58** | **338** | **(2)** | **336** |
| Acquisition | — | — | 42 | — | 42 | — | 42 |
| **Pro-forma Adj. EBITDA 2021** | **76** | **100** | **146** | **58** | **380** | **(2)** | **378** |
| Movement | (27) | 2 | 14 | (5) | (16) | 2 | (14) |
| FX translation | (11) | — | (21) | — | (32) | — | (32) |
| **Adj. EBITDA 2022** | **38** | **102** | **139** | **53** | **332** | **—** | **332** |
| | | | | | | | |
| **2022 margin %** | **7.7%** | **15.0%** | **19.7%** | **11.3%** | **14.2%** | — | **14.2%** |
| **2021 margin % - pro-forma** | **15.7%** | **18.0%** | **23.4%** | **13.1%** | **18.0%** | — | **17.9%** |

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

***Revenue***

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

*Ardagh Metal Packaging Americas*. Revenue increased by $125 million, or 23%, to $680 million in the three months ended September 30, 2022, compared with $555 million in the three months ended September 30, 2021. The increase in revenue principally reflected the pass through of higher input costs and favorable volume/mix effects.

*Ardagh Glass Packaging Europe & Africa*. Revenue increased by $80 million, or 13%, to $704 million in the three months ended September 30, 2022, compared with $624 million in the pro-forma three months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $88 million, revenue increased by $168 million, or 27%, principally due to selling price increases reflecting the pass through of higher input costs and favorable volume/mix effects.

*Ardagh Glass Packaging North America*. Revenue increased by $23 million, or 5%, to $467 million in the three months ended September 30, 2022, compared with $444 million in the three months ended September 30, 2021. The increase in revenue primarily reflected the pass through of higher input costs, partly offset by adverse volume/mix effects.

***Adjusted EBITDA***

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

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

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

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

***Nine months ended September 30, 2022 compared with nine months ended September 30, 2021***

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

| **Revenue** | **Ardagh Metal Packaging Europe** | **Ardagh Metal Packaging Americas** | **Ardagh Glass Packaging Europe & Africa** | **Ardagh Glass Packaging North America** | **Group** |
|---|---|---|---|---|---|
| | **$'m** | **$'m** | **$'m** | **$'m** | **$'m** |
| | | | **Pro-forma** | | **Pro-forma** |
| **Reported Revenue 2021** | **1,383** | **1,585** | **1,308** | **1,314** | **5,590** |
| Acquisition | — | — | 455 | — | 455 |
| **Pro-forma Revenue 2021** | **1,383** | **1,585** | **1,763** | **1,314** | **6,045** |
| Movement | 289 | 503 | 437 | 75 | 1,304 |
| FX translation | (147) | — | (176) | — | (323) |
| **Pro-forma Revenue 2022** | **1,525** | **2,088** | **2,024** | **1,389** | **7,026** |

| **Adjusted EBITDA** | **Ardagh Metal Packaging Europe** | **Ardagh Metal Packaging Americas** | **Ardagh Glass Packaging Europe & Africa** | **Ardagh Glass Packaging North America** | **Total Reportable Segments** | **AMP Indemnity*** | **Group** |
|---|---|---|---|---|---|---|---|
| | **$'m** | **$'m** | **$'m** | **$'m** | **$'m** | **$'m** | **$'m** |
| | | | **Pro-forma** | | **Pro-forma** | | **Pro-forma** |
| **Reported Adj. EBITDA 2021** | **227** | **270** | **315** | **166** | **978** | **(17)** | **961** |
| Acquisition | — | — | 122 | — | 122 | — | 122 |
| **Pro-forma Adj. EBITDA 2021** | **227** | **270** | **437** | **166** | **1,100** | **(17)** | **1,083** |
| Movement | (48) | 41 | (9) | (25) | (41) | 17 | (24) |
| FX translation | (24) | — | (44) | — | (68) | — | (68) |
| **Pro-forma Adj. EBITDA 2022** | **155** | **311** | **384** | **141** | **991** | **—** | **991** |
| | | | | | | | |
| **2022 margin % - pro-forma** | **10.2%** | **14.9%** | **19.0%** | **10.2%** | **14.1%** | — | **14.1%** |
| **2021 margin % - pro-forma** | **16.4%** | **17.0%** | **24.8%** | **12.6%** | **18.2%** | — | **17.9%** |

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

***Revenue***

*Ardagh Metal Packaging Europe.* Revenue increased by $142 million, or 10%, to $1,525 million in the nine months ended September 30, 2022, compared with $1,383 million in the nine months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $147 million, revenue increased by $289 million, mainly due to the pass through of higher input costs and favorable volume/mix effects.

*Ardagh Metal Packaging Americas*. Revenue increased by $503 million, or 32%, to $2,088 million in the nine months ended September 30, 2022, compared with $1,585 million in the nine months ended September 30, 2021. The increase in revenue principally reflected the pass through of higher input costs and favorable volume/mix effects.

*Ardagh Glass Packaging Europe & Africa*. Pro-forma revenue increased by $261 million, or 15%, to $2,024 million in the pro-forma nine months ended September 30, 2022, compared with $1,763 million in the pro-forma nine months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $176 million, pro-forma revenue increased by $437 million, or 25%, principally due to favorable volume/mix effects and selling price increases reflecting the pass through of higher input costs.

*Ardagh Glass Packaging North America*. Revenue increased by $75 million, or 6%, to $1,389 million in the nine months ended September 30, 2022, compared with $1,314 million in the nine months ended September 30, 2021. The increase in revenue reflected the pass through of higher input costs, partially offset by unfavorable volume/mix effects.

***Adjusted EBITDA***

*Ardagh Metal Packaging Europe.* Adjusted EBITDA decreased by $72 million, or 32%, to $155 million in the nine months ended September 30, 2022, compared with $227 million in the nine months ended September 30, 2021. Excluding unfavorable foreign currency translation effects of $24 million, Adjusted EBITDA decreased by $48 million, principally reflecting input cost headwinds, which were partly offset by favorable volume/mix effects, which includes an impact of the Group's growth investment program.

*Ardagh Metal Packaging Americas.* Adjusted EBITDA increased by $41 million, or 15%, to $311 million in the nine months ended September 30, 2022, compared with $270 million in the nine months ended September 30, 2021. The increase was primarily driven by favorable volume/mix effects, which includes an impact of the Group's growth investment program and strong recovery of input cost inflation, which was partly offset by increased operating costs.

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

Ardagh *Glass Packaging North America.* Adjusted EBITDA decreased by $25 million, or 15%, to $141 million in the nine months ended September 30, 2022, compared with $166 million in the nine months ended September 30, 2021. The decrease in Adjusted EBITDA was mainly driven by unfavorable volume/mix effects, including related increased freight and other operating costs, partially offset by increased selling prices.

## Liquidity and Capital Resources

***Cash requirements related to operations***

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

The following table outlines our principal financing arrangements as at September 30, 2022:

| Facility | Currency | Maximum amount drawable | Final maturity date | Facility type | Amount drawn | | | Undrawn amount |
|---|---|---|---|---|---|---|---|---|
| | | Local currency m | | | Restricted Group $'m | Unrestricted Group $'m | Total Group | $'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 | 428 | – | 428 | – |
| 2.125% Senior Secured Notes | EUR | 790 | 15-Aug-26 | Bullet | 770 | – | 770 | – |
| 4.750% Senior Notes | GBP | 400 | 15-Jul-27 | Bullet | 442 | – | 442 | – |
| 5.250% Senior Notes | USD | 800 | 15-Aug-27 | Bullet | 800 | – | 800 | – |
| 5.250% Senior Notes | USD | 1,000 | 15-Aug-27 | Bullet | 1,000 | – | 1,000 | – |
| JIBAR + 2.60% Senior Term Facilities A&B | ZAR | 4,900 | 29-Sep-23 | Bullet | 272 | – | 272 | – |
| JIBAR + 2.65% Senior Facility C | ZAR | 595 | 29-Sep-23 | Bullet | 33 | – | 33 | – |
| Global Asset Based Loan Facility | USD | 467 | 16-Feb-27 | Revolving | – | – | – | 467 |
| Lease obligations | Various | – | | Amortizing | 296 | – | 296 | – |
| Other borrowings/credit lines | Various | – | Rolling | Amortizing | 13 | – | 13 | 77 |
| 2.000% Senior Secured Green Notes | EUR | 450 | 01-Sep-28 | Bullet | – | 439 | 439 | – |
| 3.250% Senior Secured Green Notes | USD | 600 | 01-Sep-28 | Bullet | – | 600 | 600 | – |
| 6.000% Senior Secured Green Notes | USD | 600 | 15-Jun-27 | Bullet | – | 600 | 600 | – |
| 3.000% Senior Green Notes | EUR | 500 | 01-Sep-29 | Bullet | – | 487 | 487 | – |
| 4.000% Senior Green Notes | USD | 1,050 | 01-Sep-29 | Bullet | – | 1,050 | 1,050 | – |
| Global Asset Based Loan Facility | USD | 415 | 06-Aug-26 | Revolving | – | – | – | 415 |
| Lease obligations | Various | – | | Amortizing | – | 243 | 243 | – |
| Other borrowings/credit lines | Various | – | | Amortizing | – | 22 | 22 | – |
| **Total borrowings / undrawn facilities** | | | | | **5,969** | **3,441** | **9,410** | **959** |
| Deferred debt issue costs and bond discounts/bond premium | | | | | (64) | (38) | (102) | – |
| **Net borrowings / undrawn facilities** | | | | | **5,905** | **3,403** | **9,308** | **959** |
| Cash, cash equivalents and restricted cash | | | | | (600) | (583) | (1,183) | 1,183 |
| Derivative financial instruments used to hedge foreign currency and interest rate risk | | | | | (41) | - | (41) | – |
| **Net debt / available liquidity** | | | | | **5,264** | **2,820** | **8,084** | **2,142** |

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

The following table outlines the minimum repayments the Group is obliged to make in the twelve months ending September 30, 2023, assuming that the other credit lines will be renewed or replaced with similar facilities as they mature.

| Facility | Currency | Local Currency | Final Maturity Date | Facility Type | Minimum net repayment for the Twelve months ending September 30, 2023 |
|---|---|---|---|---|---|
| | | (in millions) | | | (in $ millions) |
| Global Asset Base Loan Facility | USD | 467 | 16-Feb-27 | Revolving | — |
| Global Asset Base Loan Facility | USD | 415 | 06-Aug-26 | Revolving | — |
| Lease obligations | Various | — | | Amortizing | 102 |
| Other borrowings/credit lines | Various | — | Rolling | Amortizing | 317 |
| | | | | | **419** |

The Group generates substantial cash flow from its operations and had $1,183 million in cash, cash equivalents and restricted cash as of September 30, 2022, as well as available but undrawn liquidity of $959 million under its credit facilities.

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

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

***Receivables Factoring and Related Programs***

The Group participates in several uncommitted accounts receivable factoring and related programs with various highly reputable financial institutions for certain receivables, accounted for as true sales of receivables, without recourse to the Group. Receivables of $545 million were sold under these programs at September 30, 2022 (December 31, 2021: $554 million).

***Trade Payables Processing***

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

**Footnotes to the Selected Financial Information**

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

(2) ARGID Restricted Group pro forma leverage ratio has been presented as supplemental pro-forma information to reflect the annualized impact of the cash dividends declared by AMPSA due to be received by the ARGID Restricted Group(12). ARGID Restricted Group refers to bonds issued by the dual issuers, Ardagh Packaging Finance plc and Ardagh Holdings USA Inc, and to the restricted subsidiaries of the parent guarantor Ardagh Group SA.

(3) Exceptional items are shown on a number of different lines in the Consolidated Interim Income Statement as referred to in Note 5 - Exceptional items of the audited consolidated financial statements.

(4) Includes exceptional finance income and expense.

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

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

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

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

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

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

(11) Net debt to pro-forma Adjusted LTM EBITDA ratio at September 30, 2022 of 6.1x, is based on net debt at September 30, 2022 of $8,084 million and pro-forma Adjusted EBITDA for the last twelve months to September 30, 2022 of $1,319 million. Net debt to Adjusted LTM EBITDA ratio at September 30, 2022 of 6.6x, is based on net debt at September 30, 2022 of $8,084 million and reported Adjusted EBITDA for the last twelve months to September 30, 2022 of $1,225 million. Net debt to Adjusted LTM EBITDA ratio at December 31, 2021 of 4.7x, is based on net debt at December 31, 2021 of $5,798 million and Adjusted EBITDA for the year ended December 31, 2021 of $1,245 million.

(12) Restricted Group pro-forma leverage ratio at September 30, 2022 of 5.9x, is based on net debt at September 30, 2022 of $5,264 million divided by the total of AGSA pro-forma LTM Adjusted EBITDA of $1,319 million (See Note 11 above) less the impact of the LTM Adjusted EBITDA for the Ardagh Metal Packaging reportable segments of $631 million and including the pro-forma annualized AMPSA dividend attributable to AGSA for the twelve months ended September 30, 2022, of $180 million* and including the pro-forma annualized AMPSA 9% Preferred Shares dividend to AGSA for the twelve months ended September 30, 2022, of $22 million**.

*Calculated on a pro forma basis for a full year impact based on total cash dividends declared on ordinary shares of $180 million which have been approved by AMPSA for the nine months period ended September 30, 2022, of which approximately 75.3% is attributable to AGSA ($136 million). See note 15 of the Unaudited Interim Consolidated Financial Information for further detail.

** Calculated on a pro forma basis for a full year impact based on the AMPSA approved quarterly interim cash dividend declared of 9% on the preferred shares of €6 million (approximately $6 million) for the three months period ended September 30, 2022.

See Notes 4, 10, and 15 of the Unaudited Consolidated Interim Financial Statements for information regarding the Ardagh Metal Packaging reportable segments, the Restricted Group net debt, and dividends declared and paid by AMPSA respectively.

## ARDAGH GROUP S.A.
## CONSOLIDATED INTERIM INCOME STATEMENT

| | Note | Unaudited Three months ended September 30, 2022 Before exceptional items $'m | Exceptional Items $'m | Total $'m | Unaudited Three months ended September 30, 2021 Before exceptional items $'m | Exceptional Items $'m | Total $'m |
|---|---|---|---|---|---|---|---|
| | | | Note 5 | | | Note 5 | |
| Revenue | 4 | 2,344 | — | 2,344 | 1,942 | — | 1,942 |
| Cost of sales | | (2,057) | (17) | (2,074) | (1,644) | (6) | (1,650) |
| **Gross profit** | | **287** | **(17)** | **270** | **298** | **(6)** | **292** |
| Sales, general and administration expenses | | (98) | (22) | (120) | (89) | (240) | (329) |
| Intangible amortization | | (52) | — | (52) | (58) | — | (58) |
| **Operating profit/(loss)** | | **137** | **(39)** | **98** | **151** | **(246)** | **(95)** |
| Net finance expense | 6 | (91) | 7 | (84) | (77) | (29) | (106) |
| Share of post-tax loss in equity accounted joint venture | 8 | — | (1) | (1) | — | (10) | (10) |
| **Profit/(Loss) before tax** | | **46** | **(33)** | **13** | **74** | **(285)** | **(211)** |
| Income tax charge | | (26) | 8 | (18) | (22) | 2 | (20) |
| **Loss for the period** | | **20** | **(25)** | **(5)** | **52** | **(283)** | **(231)** |
| | | | | | | | |
| (Loss)/Profit attributable to: | | | | | | | |
| Equity holders | | | | (22) | | | (200) |
| Non-controlling interests | 14 | | | 17 | | | (31) |
| **Loss for the period** | | | | **(5)** | | | **(231)** |

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

# ARDAGH GROUP S.A.
# CONSOLIDATED INTERIM INCOME STATEMENT

| | | Unaudited Nine months ended September 30, 2022 | | | Unaudited Nine months ended September 30, 2021 | | |
|---|---|---|---|---|---|---|---|
| | Note | Before exceptional items $'m | Exceptional items $'m | Total $'m | Before exceptional items $'m | Exceptional items $'m | Total $'m |
| | | | Note 5 | | | Note 5 | |
| Revenue | 4 | 6,827 | – | 6,827 | 5,590 | – | 5,590 |
| Cost of sales | | (5,949) | (49) | (5,998) | (4,723) | (20) | (4,743) |
| **Gross profit** | | **878** | **(49)** | **829** | **867** | **(20)** | **847** |
| Sales, general and administration expenses | | (356) | (49) | (405) | (275) | (266) | (541) |
| Intangible amortization | 7 | (162) | – | (162) | (179) | – | (179) |
| **Operating profit** | | **360** | **(98)** | **262** | **413** | **(286)** | **127** |
| Net finance expense | 6 | (277) | 64 | (213) | (245) | (42) | (287) |
| Share of post-tax profit/(loss) in equity accounted joint venture | 8 | 35 | (21) | 14 | (19) | (28) | (47) |
| **Profit/(Loss) before tax** | | **118** | **(55)** | **63** | **149** | **(356)** | **(207)** |
| Income tax charge | | (39) | 11 | (28) | (51) | 5 | (46) |
| **Profit/(Loss) for the period** | | **79** | **(44)** | **35** | **98** | **(351)** | **(253)** |
| | | | | | | | |
| Profit/(Loss) attributable to: | | | | | | | |
| Equity holders | | | | (21) | | | (222) |
| Non-controlling interests | 14 | | | 56 | | | (31) |
| **Profit/(Loss) for the period** | | | | **35** | | | **(253)** |

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

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

| | | Unaudited | | | |
|---|---|---|---|---|---|
| | | Three months ended September 30, | | Nine months ended September 30, | |
| | Note | 2022 $'m | 2021 $'m | 2022 $'m | 2021 $'m |
| **(Loss)/profit for the period** | | **(5)** | **(231)** | **35** | **(253)** |
| | | | | | |
| **Other comprehensive (expense)/income:** | | | | | |
| *Items that may subsequently be reclassified to income statement* | | | | | |
| Foreign currency translation adjustments: | | | | | |
| —Arising in the period | | (39) | (11) | (49) | (11) |
| | | **(39)** | **(11)** | **(49)** | **(11)** |
| *Effective portion of changes in fair value of cash flow hedges:* | | | | | |
| —New fair value adjustments into reserve | | 129 | 69 | 231 | 190 |
| —Movement out of reserve to income statement | | (4) | (13) | (48) | (33) |
| —Movement in deferred tax | | (12) | (5) | (8) | (19) |
| | | **113** | **51** | **175** | **138** |
| *Loss recognized on cost of hedging:* | | | | | |
| —New fair value adjustments into reserve | | (1) | (5) | (5) | (6) |
| —Movement out of reserve | | — | — | — | (1) |
| —Movement in deferred tax | | 1 | — | 1 | — |
| | | **—** | **(5)** | **(4)** | **(7)** |
| | | | | | |
| Share of other comprehensive expense in equity accounted joint venture | 8 | **(14)** | **(3)** | **(38)** | **(8)** |
| | | | | | |
| *Items that will not be reclassified to income statement* | | | | | |
| —Re-measurement of employee benefit obligations | 11 | 44 | (9) | 224 | 134 |
| —Deferred tax movement on employee benefit obligations | | (13) | 2 | (60) | (15) |
| | | **31** | **(7)** | **164** | **119** |
| | | | | | |
| Share of other comprehensive income/(expense) in equity accounted joint venture | 8 | 6 | (2) | 25 | 6 |
| | | | | | |
| **Total other comprehensive income for the period** | | **97** | **23** | **273** | **237** |
| | | | | | |
| **Total comprehensive income/(expense) for the period** | | **92** | **(208)** | **308** | **(16)** |
| | | | | | |
| Attributable to: | | | | | |
| Equity holders | | 77 | (181) | 233 | 11 |
| Non-controlling interests | 14 | 15 | (27) | 75 | (27) |
| **Total comprehensive income/(expense) for the period** | | **92** | **(208)** | **308** | **(16)** |

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

During the third quarter of 2022, a misstatement regarding the re-measurement of employee benefit obligations and related deferred tax movement on employee benefit obligations was identified by management. This resulted in an understatement of $64 million of other comprehensive income for the three and six months periods ending March 31 and June 30, 2022, respectively. This further overstated the liability in respect of employee benefit obligations by $84 million and related deferred tax assets by $20 million and understated retained earnings by $64 million in the consolidated interim statement of financial position as of March 31 and June 30, 2022, respectively. There is no impact on the prior year consolidated financial statements. Management concluded that a correction of this misstatement would be material to the consolidated interim statement of comprehensive income for the three months ending September 30, 2022 and will therefore revise the consolidated interim statement of comprehensive income for the three and six months periods ending March 31 and June 30, 2022, respectively, when they will be included in the consolidated interim financial statements as of March 31 and June 30, 2023, respectively.

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

| | Note | Unaudited At September 30, 2022 $'m | Unaudited At December 31, 2021 $'m |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 7 | 2,299 | 2,065 |
| Property, plant and equipment | 7 | 4,233 | 3,696 |
| Derivative financial instruments | | 89 | 12 |
| Deferred tax assets | | 136 | 217 |
| Investment in material joint venture | 8 | 260 | 303 |
| Employee benefit assets | 11 | 44 | 78 |
| Other non-current assets | | 30 | 28 |
| | | **7,091** | **6,399** |
| **Current assets** | | | |
| Inventories | | 1,328 | 1,103 |
| Trade and other receivables | | 1,544 | 1,212 |
| Contract assets | | 228 | 182 |
| Derivative financial instruments | | 167 | 109 |
| Cash, cash equivalents and restricted cash | 10 | 1,183 | 2,909 |
| | | **4,450** | **5,515** |
| **TOTAL ASSETS** | | **11,541** | **11,914** |
| | | | |
| **Equity attributable to owners of the parent** | | | |
| Equity share capital | 9 | 23 | 23 |
| Share premium | | 1,292 | 1,292 |
| Capital contribution | | 485 | 485 |
| Other reserves | | 284 | 350 |
| Retained earnings | | (3,061) | (3,218) |
| | | **(977)** | **(1,068)** |
| Non-controlling interests | 14 | 50 | 44 |
| **TOTAL EQUITY** | | **(927)** | **(1,024)** |
| | | | |
| **Non-current liabilities** | | | |
| Borrowings | 10 | 8,452 | 8,254 |
| Lease obligations | 10 | 437 | 341 |
| Employee benefit obligations | 11 | 326 | 637 |
| Derivative financial instruments | | 21 | 4 |
| Deferred tax liabilities | | 273 | 307 |
| Provisions and other liabilities | 12 | 58 | 90 |
| | | **9,567** | **9,633** |
| **Current liabilities** | | | |
| Borrowings | 10 | 317 | 15 |
| Lease obligations | 10 | 102 | 99 |
| Interest payable | | 124 | 50 |
| Derivative financial instruments | | 45 | 14 |
| Trade and other payables | | 2,145 | 2,188 |
| Income tax payable | | 111 | 116 |
| Provisions | 12 | 43 | 46 |
| Dividends payable | 15 | 14 | 777 |
| | | **2,901** | **3,305** |
| **TOTAL LIABILITIES** | | **12,468** | **12,938** |
| **TOTAL EQUITY and LIABILITIES** | | **11,541** | **11,914** |

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

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

| | Unaudited | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Attributable to the owner of the parent | | | | | | | | | | |
| | **Share capital $'m** | **Share premium $'m** | **Capital contribution $'m** | **Foreign currency translation reserve $'m** | **Cash flow hedge reserve $'m** | **Cost of hedging reserve $'m** | **Other reserves $'m** | **Retained earnings $'m** | **Total $'m** | **Non-controlling interests $'m** | **Total equity $'m** |
| **At January 1, 2021** | **23** | **1,292** | **485** | **111** | **41** | **12** | – | **(2,326)** | **(362)** | **1** | **(361)** |
| Loss for the period | – | – | – | – | – | – | – | (222) | **(222)** | (31) | **(253)** |
| Other comprehensive (expense)/income | – | – | – | (25) | 139 | (7) | – | 126 | **233** | 4 | **237** |
| Hedging gains transferred to cost of inventory | – | – | – | – | (50) | – | – | – | **(50)** | (4) | **(54)** |
| Business combination - Non-controlling interest | – | – | – | – | — | – | – | 865 | **865** | 57 | **922** |
| Business combination - Listing service | – | – | – | – | — | – | 164 | – | **164** | – | **164** |
| Re-attribution upon disposal of non-controlling interest | – | – | – | 4 | — | – | – | – | **4** | (4) | **—** |
| Dividends | – | – | – | – | – | – | – | (402) | **(402)** | – | **(402)** |
| **At September 30, 2021** | **23** | **1,292** | **485** | **90** | **130** | **5** | **164** | **(1,959)** | **230** | **23** | **253** |
| | | | | | | | | | | | |
| **At January 1, 2022** | **23** | **1,292** | **485** | **84** | **96** | **6** | **164** | **(3,218)** | **(1,068)** | **44** | **(1,024)** |
| (Loss)/Profit for the period | – | – | – | – | – | – | – | (21) | **(21)** | 56 | **35** |
| Other comprehensive (expense)/income | – | – | – | (76) | 159 | (7) | – | 178 | **254** | 19 | **273** |
| Shares acquired by AMP (Treasury shares) | – | – | – | – | – | – | (35) | – | **(35)** | – | **(35)** |
| Hedging gains transferred to cost of inventory | – | – | – | – | (107) | – | – | – | **(107)** | (25) | **(132)** |
| Dividends (Note 15) | – | – | – | – | – | – | – | – | **–** | (44) | **(44)** |
| **At September 30, 2022** | **23** | **1,292** | **485** | **8** | **148** | **(1)** | **129** | **(3,061)** | **(977)** | **50** | **(927)** |

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

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

| | | Unaudited | | | |
|---|---|---|---|---|---|
| | | Three months ended September 30, | | Nine months ended September 30, | |
| | | 2022 | 2021 | 2022 | 2021 |
| | Note | $'m | $'m | $'m | $'m |
| **Cash flows from/used in operating activities** | | | | | |
| Cash generated from operations | 13 | 309 | 343 | 279 | 610 |
| Interest paid | | (34) | (31) | (226) | (177) |
| Settlement of foreign currency derivative financial instruments* | | 18 | 1 | 18 | 14 |
| Income tax paid | | (28) | (16) | (76) | (35) |
| ***Net cash from operating activities*** | | **265** | **297** | **(5)** | **412** |
| **Cash flows used in investing activities** | | | | | |
| Purchase of property, plant and equipment | | (237) | (250) | (730) | (675) |
| Purchase of intangible assets | | (3) | (5) | (11) | (10) |
| Proceeds from disposal of property, plant and equipment | | 1 | — | 1 | 1 |
| Repayment of loan by immediate parent company | 17 | — | — | 23 | — |
| Loan issued to immediate parent company | 17 | — | — | (40) | — |
| Other investing cash flows | | (2) | 5 | (4) | (8) |
| Purchase of businesses, net of cash acquired, and related derivative settlement gain | 16 | — | — | (572) | — |
| ***Cash flows used in investing activities*** | | **(241)** | **(250)** | **(1,333)** | **(692)** |
| **Cash flows from financing activities** | | | | | |
| Proceeds from borrowings | 10 | 1 | — | 701 | 2,766 |
| Repayment of borrowings | 10 | (1) | (794) | (130) | (803) |
| Deferred debt issue costs paid | | (4) | (8) | (14) | (38) |
| Lease payments | | (34) | (30) | (97) | (85) |
| Dividends paid | 15 | — | — | (807) | (71) |
| Shares purchased by AMPSA | | (32) | — | (35) | — |
| Consideration received/(paid) on termination/maturity of derivative financial instruments | 10 | 37 | (67) | 37 | (72) |
| Other financing activities | | — | — | (1) | — |
| Proceeds from issuance of non-controlling interest, net of costs | | — | 934 | — | 934 |
| Early redemption premium paid | 5 | — | (24) | — | (24) |
| ***Net cash (outflow)/inflow from financing activities*** | | **(33)** | **11** | **(346)** | **2,607** |
| **Net (decrease)/increase in cash and cash equivalents** | | **(9)** | **58** | **(1,684)** | **2,327** |
| Cash and cash equivalents at the beginning of the period | | 1,194 | 3,541 | 2,909 | 1,267 |
| Exchange gains on cash and cash equivalents | | (2) | (49) | (42) | (44) |
| **Cash and cash equivalents at the end of the period** | 10 | **1,183** | **3,550** | **1,183** | **3,550** |

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

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

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

## 1. General information

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

Ardagh Group S.A. and its subsidiaries (together the "Group" or "Ardagh") are a leading supplier of sustainable innovative, value-added rigid packaging solutions. The Group's products include metal beverage cans and glass containers primarily for beverage and food markets. End-use categories include beer, wine, spirits, carbonated soft drinks, energy drinks, juices and water, as well as food and pharmaceuticals. The Group operates 65 packaging facilities globally, located in the Americas, Europe and Africa.

The Group holds a 75.3% share in Ardagh Metal Packaging S.A. ("AMPSA"). AMPSA is a leading supplier of beverage cans globally, with a particular focus on the Americas and Europe. The business supplies sustainable and infinitely recyclable metal packaging to a diversified customer base of leading global, regional and national beverage producers. The Group's metal packaging business operates 24 production facilities in Europe and the Americas, employs approximately 5,800 people and recorded revenues of $4.1 billion in 2021.

Ardagh also holds a stake of approximately 42% in Trivium Packaging B.V. ("Trivium"), a leading supplier of metal packaging in the form of cans and aerosol containers, serving a broad range of end-use categories, principally including food, seafood, pet food and nutrition, as well as beauty and personal care. Trivium recorded revenues of $2.8 billion in 2021.

On April 29, 2022, the Group acquired Consol, the leading producer of glass packaging on the African continent, for an equity value of ZAR10.1 billion ($663 million). Please refer to Note 16 – Business Combinations for further details regarding the acquisition.

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

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

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

## 2. Statement of directors' approval

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

## 3. Summary of significant accounting policies

### Basis of preparation

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

The unaudited consolidated interim financial statements are presented in U.S. dollar rounded to the nearest million. The functional currency of the Company is euro.

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

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

**Recent changes in accounting pronouncements**

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

**4. Segment analysis**

Following the Group's acquisition of Consol (see Note 16 – Business Combinations), the composition of the Group's operating and reporting segments changed. This reflects the basis on which the Group performance is reviewed by management and presented to the Board, which has been identified as the Chief Operating Decision Maker ("CODM") for the Group. The following are the Group's four reportable segments:

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

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

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

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | $'m | $'m | $'m | $'m |
| Loss/profit for the period | (5) | (231) | 35 | (253) |
| Income tax charge | 18 | 20 | 28 | 46 |
| Net finance expense | 84 | 106 | 213 | 287 |
| Depreciation and amortization | 195 | 185 | 581 | 548 |
| Exceptional operating items | 39 | 246 | 98 | 286 |
| Share of post-tax loss/(profit) in equity accounted joint venture | 1 | 10 | (14) | 47 |
| **Adjusted EBITDA** | **332** | **336** | **941** | **961** |

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

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

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

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

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

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

One customer across all reportable segments accounted for greater than 10% of total revenue in the nine months ended September 30, 2022 (2021: none).

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

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

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

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

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

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

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

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

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

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

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

## 5. Exceptional items

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | $'m | $'m | $'m | $'m |
| Start-up related and other costs | 17 | 9 | 49 | 17 |
| Cyber security incident, net of insurance recovery | — | (3) | — | 3 |
| **Exceptional items - cost of sales** | **17** | **6** | **49** | **20** |
| Transaction-related and other costs | 13 | 233 | 64 | 249 |
| Settlement of US legal matter | — | — | (34) | — |
| Restructuring and other costs | 6 | 3 | 9 | 3 |
| Cyber transformation costs | 3 | — | 10 | — |
| Cyber security incident, net of insurance recovery | — | 4 | — | 14 |
| **Exceptional items - SGA expenses** | **22** | **240** | **49** | **266** |
| Gains on exceptional derivative financial instruments and warrants revaluation | (7) | — | (64) | — |
| Interest expense | — | 4 | — | 17 |
| Debt refinancing and settlement costs | — | 23 | — | 23 |
| Other | — | 2 | — | 2 |
| **Exceptional items - finance (income)/expense** | **(7)** | **29** | **(64)** | **42** |
| Share of exceptional items in material joint venture | 1 | 10 | 21 | 28 |
| **Exceptional items** | **33** | **285** | **55** | **356** |
| Exceptional income tax credit | (8) | (2) | (11) | (5) |
| **Total exceptional charge, net of tax** | **25** | **283** | **44** | **351** |

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

***2022***

Exceptional items of $44 million have been recognized in the nine months ended September 30 2022, primarily comprising:

- $49 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($25 million) and Ardagh Metal Packaging Europe ($22 million), primarily relating to the Group's investment programs. A further $2 million other costs in Ardagh Glass Packaging North America, as a result of weather related downtime.
- $64 million transaction-related and other costs primarily relating to professional advisory and other fees in connection with transformation initiatives in Ardagh Metal Packaging ($9 million), $8 million of foreign currency translation losses relating to the exceptional cost of hedging activities in Ardagh Metal Packaging Americas and transactions in Ardagh Glass Packaging Europe and Africa ($40 million). A further $7 million of costs related to acquisition and transaction costs, including professional advisory fees and other costs across the Ardagh Glass Packaging division.
- $34 million arising in Ardagh Glass Packaging North America from the resolution of a legal matter, which offsets losses and costs previously incurred in connection with these proceedings.
- $9 million restructuring and other costs in Ardagh Glass Packaging North America and Ardagh Glass Packaging Europe and Africa.
- $10 million relating to IT transformation costs following the 2021 cyber security incident, including professional support fees.
- $64 million finance income primarily relating to a $42 million gain realised on forward foreign exchange contracts entered into in connection with the acquisition of Consol on April 29, 2022 (as outlined in Note 1- General information), and a $22 million credit related to fair value and foreign currency gains on Public and Private Warrants.
- $21 million from the Group's share of exceptional items arising in Trivium.
- $11 million from tax credits relating to the above exceptional items.

***2021***

Exceptional items of $351 million have been recognized in the nine months ended September 30, 2021 primarily comprising:

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

## 6. Net finance expense

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | $'m | $'m | $'m | $'m |
| Senior Secured, Senior Secured Green, Senior and Senior Green Notes | 94 | 88 | 266 | 247 |
| Other interest expense | 19 | 6 | 44 | 16 |
| **Interest expense** | **113** | **94** | **310** | **263** |
| Net pension interest cost | 2 | 3 | 7 | 8 |
| Foreign currency translation gains | (19) | (1) | (30) | (1) |
| Gains on derivative financial instruments | — | (18) | (1) | (22) |
| Other finance income | (5) | (1) | (9) | (3) |
| **Net finance expense before exceptional items** | **91** | **77** | **277** | **245** |
| Net exceptional finance (income)/expense (Note 5) | (7) | 29 | (64) | 42 |
| **Net finance expense** | **84** | **106** | **213** | **287** |

## 7. Intangible assets and property, plant and equipment

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

*During the nine months ended September 30, 2022, provisional fair value adjustments related to goodwill, net of deferred tax, were made to the net assets acquired as part of the acquisition of Consol, as outlined in Note 16 – Business Combinations.

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

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

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

**Impairment test for goodwill**

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

Management has considered whether any impairment indicators existed at the reporting date and has concluded that the carrying amount of goodwill is fully recoverable as at September 30, 2022.

## 8. Investment in material joint venture

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

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

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

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

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

| | 2022 | 2021 |
|---|---|---|
| | $'m | $'m |
| Group's interest in net assets of material joint venture at January 1 | 303 | 390 |
| Share of total comprehensive income/(expense) | 1 | (49) |
| Foreign exchange | (44) | (20) |
| **Carrying amount of interest in material joint venture - September 30** | **260** | **321** |

In respect of the Group's equity accounted investment in Trivium, management has considered the carrying amount of the investment and concluded that it is fully recoverable as at September 30, 2022.

The Group is party to a Mutual Services Agreement ("MSA") with Trivium, pursuant to which the Group and Trivium provide services to each other. The services generally relate to administrative support in respect of tax reporting, logistics, R&D and certain IT services. The MSA provides for the sharing of certain facilities leased by the Group in connection with the provision of services, with appropriate segregation in place between the Group's entities, on the one hand, and Trivium, on the other hand.

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

At September 30, 2022 and December 31, 2021, the Group had no significant related party balances outstanding with Trivium.

## 9. Equity share capital

*Issued and fully paid shares:*

| | Class A common shares (par value €0.01) (million) | Class B common shares (par value €0.10) (million) | Total shares (million) | Total $'m |
|---|---|---|---|---|
| At December 31, 2021 | 2.9 | 217.7 | 220.6 | 23 |
| **At September 30, 2022** | **2.9** | **217.7** | **220.6** | **23** |

There were no material share transactions in the nine months ended September 30, 2022.

## 10. Financial assets and liabilities

At September 30, 2022, the Group's net debt and available liquidity was as follows:

| Facility | Currency | Maximum amount drawable | Final maturity date | Facility type | Amount drawn | | | Undrawn amount |
|---|---|---|---|---|---|---|---|---|
| | | Local currency m | | | Restricted Group $'m | Unrestricted Group $'m | Total Group | $'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 | 428 | – | 428 | – |
| 2.125% Senior Secured Notes | EUR | 790 | 15-Aug-26 | Bullet | 770 | – | 770 | – |
| 4.750% Senior Notes | GBP | 400 | 15-Jul-27 | Bullet | 442 | – | 442 | – |
| 5.250% Senior Notes | USD | 800 | 15-Aug-27 | Bullet | 800 | – | 800 | – |
| 5.250% Senior Notes | USD | 1,000 | 15-Aug-27 | Bullet | 1,000 | – | 1,000 | – |
| JIBAR + 2.60% Senior Term Facilities A&B | ZAR | 4,900 | 29-Sep-23 | Bullet | 272 | – | 272 | – |
| JIBAR + 2.65% Senior Facility C | ZAR | 595 | 29-Sep-23 | Bullet | 33 | – | 33 | – |
| Global Asset Based Loan Facility | USD | 467 | 16-Feb-27 | Revolving | – | – | – | 467 |
| Lease obligations | Various | – | | Amortizing | 296 | – | 296 | – |
| Other borrowings/credit lines | Various | – | Rolling | Amortizing | 13 | – | 13 | 77 |
| 2.000% Senior Secured Green Notes | EUR | 450 | 01-Sep-28 | Bullet | – | 439 | 439 | – |
| 3.250% Senior Secured Green Notes | USD | 600 | 01-Sep-28 | Bullet | – | 600 | 600 | – |
| 6.000% Senior Secured Green Notes | USD | 600 | 15-Jun-27 | Bullet | – | 600 | 600 | – |
| 3.000% Senior Green Notes | EUR | 500 | 01-Sep-29 | Bullet | – | 487 | 487 | – |
| 4.000% Senior Green Notes | USD | 1,050 | 01-Sep-29 | Bullet | – | 1,050 | 1,050 | – |
| Global Asset Based Loan Facility | USD | 415 | 06-Aug-26 | Revolving | – | – | – | 415 |
| Lease obligations | Various | – | | Amortizing | – | 243 | 243 | – |
| Other borrowings/credit lines | Various | – | | Amortizing | – | 22 | 22 | – |
| **Total borrowings / undrawn facilities** | | | | | **5,969** | **3,441** | **9,410** | **959** |
| Deferred debt issue costs and bond discounts/bond premium | | | | | (64) | (38) | (102) | – |
| **Net borrowings / undrawn facilities** | | | | | **5,905** | **3,403** | **9,308** | **959** |
| Cash, cash equivalents and restricted cash | | | | | (600) | (583) | (1,183) | 1,183 |
| Derivative financial instruments used to hedge foreign currency and interest rate risk | | | | | (41) | - | (41) | – |
| **Net debt / available liquidity** | | | | | **5,264** | **2,820** | **8,084** | **2,142** |

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

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

The fair value of the restricted group's total borrowings and lease obligations at September 30, 2022, is $4,291 million (December 31, 2021: $5,674 million). The fair value of the unrestricted group's total borrowings excluding lease obligations at September 30, 2022, is $2,513 million (December 31, 2021: $2,701 million).

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in areas such as incurrence of additional indebtedness (primarily maximum secured borrowings to Adjusted EBITDA and a minimum Adjusted EBITDA to interest expense), payment of dividends and incurrence of liens. The Global Asset Based Loan Facilities are subject to a fixed charge coverage ratio covenant if 90% or more of the facility is drawn. The facilities also include cash dominion, representations, warranties, events of default and other covenants that are generally of a customary nature for such facilities. These facilities were undrawn at September 30, 2022 and December 31, 2021.

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

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

| Facility | Currency | Maximum amount drawable | Final maturity date | Facility type | Amount drawn | | | Undrawn amount |
|---|---|---|---|---|---|---|---|---|
| | | Local currency m | | | Restricted Group $'m | Unrestricted Group $'m | Total Group | $'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 | 497 | – | 497 | – |
| 2.125% Senior Secured Notes | EUR | 790 | 15-Aug-26 | Bullet | 895 | – | 895 | – |
| 4.750% Senior Notes | GBP | 400 | 15-Jul-27 | Bullet | 539 | – | 539 | – |
| 5.250% Senior Notes | USD | 800 | 15-Aug-27 | Bullet | 800 | – | 800 | – |
| 5.250% Senior Notes | USD | 1,000 | 15-Aug-27 | Bullet | 1,000 | – | 1,000 | – |
| Global Asset Based Loan Facility | USD | 467 | 07-Dec-22 | Revolving | – | – | – | 467 |
| Lease obligations | Various | – | | Amortizing | 258 | – | 258 | – |
| Other borrowings/credit lines | Various | – | Rolling | Amortizing | 1 | – | 1 | 1 |
| 2.000% Senior Secured Green Notes | EUR | 450 | 01-Sep-28 | Bullet | – | 510 | 510 | – |
| 3.250% Senior Secured Green Notes | USD | 600 | 01-Sep-28 | Bullet | – | 600 | 600 | – |
| 3.000% Senior Green Notes | EUR | 500 | 01-Sep-29 | Bullet | – | 566 | 566 | – |
| 4.000% Senior Green Notes | USD | 1,050 | 01-Sep-29 | Bullet | – | 1,050 | 1,050 | – |
| Global Asset Based Loan Facility | USD | 325 | 06-Aug-26 | Revolving | – | – | – | 325 |
| Lease obligations | Various | – | | Amortizing | – | 182 | 182 | – |
| Other borrowings/credit lines | Various | – | Rolling | Amortizing | – | 19 | 19 | – |
| **Total borrowings / undrawn facilities** | | | | | **5,905** | **2,927** | **8,832** | **793** |
| Deferred debt issue costs and bond discounts/bond premium | | | | | (83) | (40) | (123) | – |
| **Net borrowings / undrawn facilities** | | | | | **5,822** | **2,887** | **8,709** | **793** |
| Cash, cash equivalents and restricted cash | | | | | (2,446) | (463) | (2,909) | 2,909 |
| Derivative financial instruments used to hedge foreign currency and interest rate risk | | | | | (2) | – | (2) | – |
| **Net debt / available liquidity** | | | | | **3,374** | **2,424** | **5,798** | **3,702** |

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

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

| | At September 30, 2022 $'m | At December 31, 2021 $'m |
|---|---|---|
| Within one year or on demand | 369 | 58 |
| Between one and three years | 786 | 71 |
| Between three and five years | 4,711 | 3,361 |
| Greater than five years | 103 | 2,415 |
| **Restricted Group total borrowings** | **5,969** | **5,905** |
| Within one year or on demand | 50 | 56 |
| Between one and three years | 77 | 55 |
| Between three and five years | 676 | 59 |
| Greater than five years | 2,638 | 2,757 |
| **Unrestricted Group total borrowings** | **3,441** | **2,927** |
| **Total borrowings** | **9,410** | **8,832** |
| Deferred debt issue costs and bond discounts/bond premium | (102) | (123) |
| **Net Borrowings** | **9,308** | **8,709** |

**Warrants**

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

**Financing activity**

***2022***

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

Lease obligations at September 30, 2022 of $539 million (December 31, 2021: $440 million), primarily reflects $188 million of new lease liabilities and $42 million of lease liabilities acquired as part of the acquisition of Consol (see Note 16 - Business Combinations) offset by $131 million of principal repayments and foreign currency movements, in the nine months ended September 30, 2022.

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

**Forward foreign exchange contracts**

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

**Cross currency interest rate swaps**

The Group hedges certain of its external borrowings and interest payable thereon using cross-currency interest rate swaps ("CCIRS"), with a net asset position at September 30, 2022 of $41 million (December 31, 2021: $2 million net asset).

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

**Foreign currency derivative financial instruments**

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

**Fair value methodology**

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

Fair values are calculated as follows:

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

## 11. Employee benefit obligations

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

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

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

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

## 12. Other liabilities and provisions

| | At September 30, 2022 $'m | At December 31, 2021 $'m |
|---|---|---|
| *Provisions* | | |
| Current | 43 | 46 |
| Non-current | 50 | 57 |
| *Other liabilities* | | |
| Non-current | 8 | 33 |
| | **101** | **136** |

**Other Liabilities**

On August 4, 2021, all warrants previously exercisable for the purchase of shares in Gores Holdings V were converted into AMP warrants exercisable for the purchase of ordinary shares in AMP at an exercise price of $11.50 over a five-year period after the closing of the Merger on August 4, 2021. In accordance with IAS 32, those warrants have been recognized as a financial liability measured at fair value in the consolidated financial statements. For the warrants issued to the former sponsors of Gores Holdings V ("Private Warrants") a valuation was performed for the purpose of determining the financial liability. The valuation applied a Black Scholes model, using key assumptions for volatility (54%) (December 31, 2021: volatility 34%); a dividend yield of 8%; and risk-free rate (4%). All other outstanding warrants ("Public Warrants") were valued using the traded closing prices of the AMP warrants. The estimated valuation of the liability as of September 30, 2022, and December 31, 2021, were $8 million and $33 million, respectively. Any changes in the valuation have been reflected in net exceptional finance income. Any increase or decrease in volatility of 5% would result in an increase or decrease in the fair value of the Private Warrants as of September 30, 2022, of approximately $1 million. Alternatively, an increase in the market-implied dividend yield of 1% would not result in a significant change in the fair value of the Private Warrants as of September 30, 2022.

## 13. Cash generated from/used in operating activities

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 $'m | 2021 $'m | 2022 $'m | 2021 $'m |
| **(Loss)/profit from operations** | **(5)** | **(231)** | **35** | **(253)** |
| Income tax charge | 18 | 20 | 28 | 46 |
| Net finance expense | 84 | 106 | 213 | 287 |
| Depreciation and amortization | 195 | 185 | 581 | 548 |
| Exceptional operating items | 39 | 246 | 98 | 286 |
| Share of post-tax loss/(gain) in equity accounted joint venture | 1 | 10 | (14) | 47 |
| Movement in working capital | (62) | 37 | (577) | (283) |
| Transaction-related, start-up and other exceptional costs paid | 39 | (30) | (85) | (68) |
| **Cash generated from operations** | **309** | **343** | **279** | **610** |

## 14. Non-controlling interests

Non-controlling interests represent 24.7% of the total equity in the Group's subsidiary AMPSA (December 31, 2021: 24.7%). The total equity attributable to non-controlling interests at September 30, 2022 is $50 million (December 31, 2021: $44 million). Dividends of $30 million have been paid to non-controlling interests during the nine months ended September 30, 2022. Dividends of $14 million have been approved and will be paid to non-controlling interests on October 27, 2022.

Summarized financial information for AMPSA, as of the date these interim consolidated financial statements were authorized for issue, is set out below:

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

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

At September 30, 2022, AMPSA has repurchased a total of 5,768,638 shares (December 31, 2021: nil shares) returning $35 million to shareholders. The repurchased shares have not been cancelled as of September 30, 2022. Subsequently to the period end, on October 5, 2022, all repurchased shares as of September 30, 2022 were cancelled.

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

## 15. Dividends

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | $'m | $'m | $'m | $'m |
| **Cash dividends on common shares declared and paid by AMPSA:** | | | | |
| Interim dividend to NCI: $0.10 per share (2021: nil) | — | — | (15) | — |
| Interim dividend to NCI: $0.10 per share (2021: nil) | — | — | (15) | — |
| **Cash dividends on common shares declared by AMPSA:** | | | | |
| Interim dividend to NCI: $0.10 per share (2021: nil) | (14) | — | (14) | — |
| **Cash dividends on common shares declared and paid:** | | | | |
| Interim dividend: $0.15 per share | — | — | — | (35) |
| Interim dividend: $0.15 per share | — | — | — | (36) |
| **Cash dividends on common shares declared 2021, paid 2022** | | | | |
| Special cash dividend: $3.52 per share | — | — | (777) | — |
| **Cash dividends on common shares declared and paid:** | | | | |
| Interim dividend for 2021: $0.15 per share | — | (35) | — | (35) |
| Interim dividend for 2021: $1.25 per share | — | (296) | — | (296) |
| | **(14)** | **(331)** | **(821)** | **(402)** |

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

On April 26, 2022, AMPSA approved a cash dividend of $0.10 per common share. The dividend of $60 million was paid on June 28, 2022 to shareholders of record on June 14, 2022.

On June 1, 2022, AMPSA approved a cash dividend of $0.10 per common share. The dividend of $61 million was paid on June 28, 2022 to shareholders of record on June 14, 2022.

On September 29, 2022, AMPSA approved a cash dividend of $0.10 per common share. The dividend of $59 million will be paid on October 27, 2022 to shareholders of record on October 13, 2022.

The 2022 dividends approved and paid by AMPSA resulted in a cash outflow of $30 million from the Group to non-controlling interests for the nine months ended September 30, 2022.

During the nine months ended September 30, 2021, the Company approved and paid dividends of $0.15 and $1.25 per common share respectively. Total dividends paid amounted to $402 million.

## 16. Business Combinations

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

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

| | $'m |
|---|---|
| Cash and cash equivalents | 40 |
| Property, plant and equipment | 376 |
| Intangible assets | 83 |
| Net working capital* | 141 |
| Income tax payable | (8) |
| Net deferred tax liability | (43) |
| Borrowings** | (432) |
| Employee benefit obligations | (5) |
| **Total identifiable net assets** | **152** |
| Goodwill | 511 |
| **Total consideration** | **663** |

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

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

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

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

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

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

For the five months ended September 30, 2022, Consol contributed revenue and Adjusted EBITDA of $300 million and $95 million. If the acquisition of the business had occurred on January 1, 2022, Group revenue and Adjusted EBITDA would have been $7,026 million and $991 million.

## 17. Related party transactions

Details of related party transactions in respect of the year ended December 31, 2021 are contained in Note 27 to the consolidated financial statements in the Group's 2021 Annual Report. The Group continued to enter into transactions in the normal course of business with related parties during the nine months ended September 30, 2022.

At September 30, 2022 the Group had a related party loan receivable balance of $40 million (December 31 2021: $23 million) with its immediate parent ARD Finance S.A.. The Group received full repayment in January 2022, in respect of the December 31, 2021 receivable balance. The proceeds were received in connection with the special cash dividend as detailed in Note 15 – Dividends.

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

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

## 18. Contingencies

### Environmental issues

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

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

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

### Legal matters

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

## 19. Seasonality of operations

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

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

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

## 20. Events after the reporting period

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

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

**Cautionary Statement Regarding Forward-Looking Statements**

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

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

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