Ardagh Group S.A.

Audited consolidated financial statements for the year ended 31 December 2022

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Management Report

PRELIMINARY INFORMATION

Ardagh Group S.A. (the "Company") was incorporated in Luxembourg on 6 May 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") is 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, which are characterised by stable, consumer driven demand. End use categories include beer, food, hard seltzers, wine, spirits, carbonated soft drinks, energy drinks, juices and sparkling waters. Ardagh indirectly holds 76.04% of the ordinary shares and 100% of the preferred shares of Ardagh Metal Packaging S.A. ("AMP") through a wholly-owned subsidiary, which holds all the finance and operating subsidiaries of Ardagh Metal Packaging as a result of the Company's entry into the Business Combination Agreement dated as of 22 February 2021 as referred to in Note 1- General Information of the audited consolidated financial statements. Ardagh also holds approximately 42% of the ordinary shares of 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.

These consolidated financial statements reflect the consolidation of the legal entities forming the Group for the periods presented. Further information relating to these entities is set out in Note 27 – Related party information.

These financial statements have also been prepared for the purposes of satisfying the filing requirements for the individual financial statements of a number of the Irish, German and Dutch subsidiaries of the Company. Refer to Note 31 – Filing Requirements for further details.

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

SELECTED FINANCIAL INFORMATION

The financial data of Ardagh Group S.A. as of and for the years ended 31 December 2022 and 2021 is derived from the audited consolidated financial statements included in this annual report.

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

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 year 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.

	Year ended 31 December	
	2022	**2021**
Income Statement Data	**(in $ millions except percentages)**	
Revenue	9,030	7,577
Adjusted EBITDA [1]	**1,264**	**1,245**
Depreciation and amortisation	(809)	(746)
Exceptional items [3]	(378)	(851)
Net finance expense [4]	(328)	(377)
Share of post-tax profit/(loss) in equity accounted joint venture [5]	7	(55)
Loss before tax	**(244)**	**(784)**
Income tax (charge)/credit	(46)	18
Loss for the year	**(290)**	**(766)**
Other Data		
Adjusted EBITDA margin [1]	14.0%	16.4%
Interest expense [6]	426	376
Maintenance capital expenditure [7]	495	371
Growth investment capital expenditure [7]	611	695
Balance Sheet Data	**As at 31 December**	
	2022	**2021**
	(in $ millions except ratios)	
Cash and cash equivalents and restricted cash [8]	1,131	2,909
Working capital [9]	673	263
Total assets	11,821	11,914
Total equity	(1,395)	(1,024)
Net borrowings [10]	9,735	8,709
Net debt [11]	8,612	5,798
AGSA Group ratio of net debt to LTM Adjusted EBITDA [1,11,12]	6.8x	4.7x
AGSA Group ratio of net debt to pro-forma LTM Adjusted EBITDA* [1,11,12]	6.6x	
Supplemental Pro-Forma Information		
ARGID Restricted Group pro-forma leverage ratio [2,11,13]	6.2x	N/A

All footnotes are on page 12 of this document

Operating and Financial Review

Business Drivers

The main factors affecting our results of operations for Ardagh Metal Packaging and Ardagh Glass Packaging are: (i) global economic trends, end-consumer demand for our products and production capacity of our manufacturing facilities; (ii) prices of energy and raw materials used in our business, primarily aluminium, 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 levying 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 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, and of our competitors, metal packaging plants. Demand for our metal beverage cans may be influenced by trends in the consumption of beverages, industry trends in packaging, including marketing decisions, and the impact of environmental regulations and shifts in consumer sentiment towards a greater awareness of sustainability. The demand for 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 quarters, in anticipation of the seasonal demands in our metal packaging business.

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

Ardagh Glass Packaging

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

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

Beverage and food end market sales within our glass packaging business are seasonal in nature, with strongest demand for beverage market sales 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. The timing and extent of 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 labour 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 29 April 2022, the Group acquired Consol, the leading producer of glass packaging on the African continent, for an equity value of ZAR 10.1 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 amortisation, 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 year to Adjusted EBITDA see Note 3 – Segment analysis within the audited consolidated financial statements.

Financial Performance Review

The consolidated results for the three months ended 31 December 2022 are presented on an as reported basis for Ardagh Glass Packaging Europe & Africa, and the consolidated results for the year ended 31 December 2022 and for the three and twelve months ended 31 December 2021 are presented below on a pro-forma basis as if the acquisition of Consol was completed on 1 January 2021 respectively.

Group Adjusted EBITDA in the three months ended 31 December 2022 decreased by $4 million, or 1%, to $323 million, compared with $327 million in the three months ended 31 December 2021. Excluding foreign currency translation effects of $24 million, Adjusted EBITDA in the three months ended 31 December 2022 increased by 6% or $20 million compared with pro-forma Adjusted EBITDA for the same period last year.

Group pro-forma Adjusted EBITDA in the year ended 31 December 2022 decreased by $96 million, or 7%, to $1,314 million, compared with $1,410 million in the year ended 31 December 2021. Excluding foreign currency translation effects of $91 million, pro-forma Adjusted EBITDA in the year ended 31 December 2022 decreased by $5 million, or less than 1%, compared with the same period last year.

Bridge of 2021 to 2022 Revenue and Adjusted EBITDA

Three months ended 31 December 2022

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**
Reported Revenue 2021	**455**	**632**	**476**	**424**	**1,987**
Acquisition	—	—	173	—	173
Pro-forma Revenue 2021	**455**	**632**	**649**	**424**	**2,160**
Movement	46	6	149	(6)	195
FX translation	(63)	—	(89)	—	(152)
Revenue 2022	**438**	**638**	**709**	**418**	**2,203**

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
Reported Adj. EBITDA 2021	**54**	**111**	**78**	**24**	**267**	**17**	**284**
Acquisition	—	—	43	—	43	—	43
Pro-forma Adj. EBITDA 2021	**54**	**111**	**121**	**24**	**310**	**17**	**327**
Movement	(1)	3	37	(2)	37	(17)	20
FX translation	(8)	—	(16)	—	(24)	—	(24)
Adj. EBITDA 2022	**45**	**114**	**142**	**22**	**323**	**—**	**323**
2022 margin %	**10.3%**	**17.9%**	**20.0%**	**5.3%**	**14.7%**	—	**14.7%**
2021 margin % - pro-forma	**11.9%**	**17.6%**	**18.6%**	**5.7%**	**14.4%**	—	**15.1%**

*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 31 December 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 of $438 million decreased by 4% in the three months ended 31 December 2022, compared with $455 million in the same period last year. On a constant currency basis, revenue increased by 12%, principally due to the pass through of higher input costs and favourable volume/mix effects.

Ardagh Metal Packaging Americas. Revenue increased by 1% to $638 million in the three months ended 31 December 2022, compared with $632 million in the same period last year, principally reflecting the pass through of higher input costs, partly offset by unfavourable volume/mix effects.

Ardagh Glass Packaging Europe & Africa. Revenue increased by $60 million, or 9%, to $709 million in the quarter ended 31 December 2022, compared with a pro-forma $649 million in the quarter ended 31 December 2021. Excluding unfavourable foreign currency translation effects of $89 million, revenue increased by $149 million, or 23%, mainly driven by the pass through of higher input costs and favourable volume/mix effects during the quarter.

Ardagh Glass Packaging North America. Revenue decreased by $6 million, or 1%, to $418 million in the quarter ended 31 December 2022, compared with $424 million in the quarter ended 31 December 2021. The decrease in revenue reflected unfavourable volume/mix effects, partly offset by the pass through of higher input costs.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA for the quarter of $45 million decreased by $9 million, or 17%, at actual exchange rates, and by 2% at constant currency, compared with $54 million in the same period last year. The decrease in Adjusted EBITDA was principally due to input cost headwinds and increased operating costs, which were partly offset by favourable volume/mix effects, which includes an impact of the Group’s growth investment program.

Ardagh Metal Packaging Americas. Adjusted EBITDA for the quarter of $114 million increased by 3%, compared with $111 million in the same period last year, primarily driven by favourable volume/mix effects, which includes an impact of the Group’s growth investment program, partly offset by input cost headwinds and higher operating costs.

Ardagh Glass Packaging Europe & Africa. Adjusted EBITDA increased by $21 million, or 17%, to $142 million in the quarter ended 31 December 2022, compared with a pro-forma $121 million in the quarter ended 31 December 2021. Excluding unfavourable foreign currency translation effects of $16 million, Adjusted EBITDA increased by $37 million, or 31%, primarily due to favourable volume/mix effects, the recovery of higher costs in increased selling prices and operating and other cost savings.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $2 million to $22 million in the quarter ended 31 December 2022, compared with $24 million in the quarter ended 31 December 2021. The decrease in Adjusted EBITDA was driven by unfavourable volume/mix effects, resulting in increased plant downtime, partly offset by higher selling prices to recover increased input costs.

Year ended 31 December 2022

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	**1,838**	**2,217**	**1,784**	**1,738**	**7,577**
Acquisition	—	—	628	—	628
Pro-forma Revenue 2021	**1,838**	**2,217**	**2,412**	**1,738**	**8,205**
Movement	335	509	586	69	1,499
FX translation	(210)	—	(265)	—	(475)
Pro-forma Revenue 2022	**1,963**	**2,726**	**2,733**	**1,807**	**9,229**

Adjusted EBITDA	**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 Adj. EBITDA 2021	**281**	**381**	**393**	**190**	**1,245**
Acquisition	—	—	165	—	165
Pro-forma Adj. EBITDA 2021	**281**	**381**	**558**	**190**	**1,410**
Movement	(49)	44	27	(27)	(5)
FX translation	(32)	—	(59)	—	(91)
Pro-forma Adj. EBITDA 2022	**200**	**425**	**526**	**163**	**1314**
2022 margin % - pro-forma	**10.2%**	**15.6%**	**19.2%**	**9.0%**	**14.2%**
2021 margin % - pro-forma	**15.3%**	**17.2%**	**23.1%**	**10.9%**	**17.2%**

Revenue

Ardagh Metal Packaging Europe. Revenue increased by $125 million, or 7%, to $1,963 million in the year ended 31 December 2022, compared with $1,838 million in the year ended 31 December 2021. The increase in revenue principally reflects the pass through of higher input costs and favourable volume/mix effects of 6%, which includes an impact of the Group's growth investment program, partly offset by unfavourable foreign currency translation effects of $210 million.

Ardagh Metal Packaging Americas. Revenue increased by $509 million, or 23%, to $2,726 million in the year ended 31 December 2022, compared with $2,217 million in the year ended 31 December 2021. Revenue growth reflected the pass through of higher input costs and favourable volume/mix effects of 7%.

Ardagh Glass Packaging Europe & Africa. Pro-forma revenue increased by $321 million, or 13%, to $2,733 million in the year ended 31 December 2022, compared with a pro-forma $2,412 million in the year ended 31 December 2021. Excluding unfavourable foreign currency translation effects of $265 million, revenue increased by $586 million, or 24%, principally driven by selling price increases to pass through higher input costs, and favourable volume/mix effects.

Ardagh Glass Packaging North America. Revenue increased by $69 million, or 4%, to $1,807 million in the year ended 31 December 2022, compared with $1,738 million in the year ended 31 December 2021. The increase in revenue reflected the pass through of higher input costs, partly offset by unfavourable volume/mix effects.

Adjusted EBITDA

Ardagh Metal Packaging Europe. Adjusted EBITDA decreased by $81 million, or 29%, to $200 million in the year ended 31 December 2022, compared with $281 million in the year ended 31 December 2021. Excluding unfavourable foreign currency translation effects of $32 million, the decrease in Adjusted EBITDA principally reflected input cost headwinds and increased operating costs, which were partly offset by favourable volume/mix effects, which includes an impact of the Group's growth investment program and favourable non-recurring SG&A and other gains.

Ardagh Metal Packaging Americas. Adjusted EBITDA increased by $44 million, or 12%, to $425 million in the year ended 31 December 2022, compared with $381 million in the year ended 31 December 2021. Adjusted EBITDA growth was mainly driven by favourable volume/mix effects, which includes an impact of the Group's growth investment program, partly offset by increased operating costs.

Ardagh Glass Packaging Europe & Africa. Adjusted EBITDA decreased by $32 million, or 6%, to a pro-forma $526 million in the year ended 31 December 2022, compared with a pro-forma $558 million in the year ended 31 December 2021. Excluding unfavourable foreign currency translation effects of $59 million, pro-forma Adjusted EBITDA increased by $27 million, or 5%, primarily due to favourable volume/mix effects, operating and other cost savings, including insurance recoveries on covid-related losses, partly offset by increased input costs, in particular energy and logistics.

Ardagh Glass Packaging North America. Adjusted EBITDA decreased by $27 million, or 14%, to $163 million in the year ended 31 December 2022, compared with $190 million in the year ended 31 December 2021. The decrease in Adjusted EBITDA was mainly driven by unfavourable volume/mix effects, including related increased freight and other operating costs, partly 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 Group's Global Asset Based Loan Facility.

The following table outlines our principal financing arrangements as of 31 December 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	$'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	468	–	468	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	843	–	843	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	481	–	481	–
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	28-Feb-24	Bullet	289	–	289	–
JIBAR + 2.65% Senior Facility C	ZAR	595	28-Feb-24	Bullet	35	–	35	–
Global Asset Based Loan Facility	USD	433	30-Mar-27	Revolving	–	–	–	433
Lease obligations	Various	–		Amortising	354	327	681	–
Other borrowings/credit lines	Various	–	Rolling	Amortising	15	40	55	82
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	–	480	480	–
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	–	533	533	–
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
Total borrowings / undrawn facilities					**6,200**	**3,630**	**9,830**	**930**
Deferred debt issue costs and bond discounts/bond premium					(57)	(38)	(95)	–
Net borrowings / undrawn facilities					**6,143**	**3,592**	**9,735**	**930**
Cash, cash equivalents and restricted cash					(576)	(555)	(1,131)	1,131
Derivative financial instruments used to hedge foreign currency and interest rate risk					8	–	8	–
Net debt / available liquidity					**5,575**	**3,037**	**8,612**	**2,061**

*Unrestricted Group refers to Ardagh Metal Packaging S.A. and its subsidiaries as referred to in Note 1 - General information.

On 8 June 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 31 Decemeber 2022 of $681 million (31 December 2021: $440 million) reflects $332 million of new lease liabilities and foreign currency movements and $43 million of lease liabilities acquired as part of the acquisition of Consol (see Note 25 - Business Combinations), partly offset by $134 million of principal repayments, in the year ended 31 December 2022.

At 31 December 2022 the Group had $848 million available under the Global Asset Based Loan Facilities (2021: $792 million).

The following table outlines the minimum repayments the Group is obliged to make in the twelve months ending 31 December 2022, 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 31 December 2023
		(in millions)			(in $ millions)
Global Asset Base Loan Facility	USD	433	30-Mar-27	Revolving	—
Global Asset Base Loan Facility	USD	415	06-Aug-26	Revolving	—
Lease obligations	Various	—		Amortising	124
Other borrowings/credit lines	Various	—	Rolling	Amortising	25
					149

The Group generates substantial cash flow from its operations and had $1,131 million in cash, cash equivalents and restricted cash as of 31 December 2022, as well as available but undrawn liquidity of $930 million under its credit facilities.

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

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

The Group believes it has adequate liquidity to satisfy its cash needs for at least the next 12 months. In the year ended 31 December 2022, the Group reported operating profit of $455 million, cash generated from operations of $840 million and generated Adjusted EBITDA of $1,264 million.

Receivables Factoring and Related Programs

We participate in several uncommitted accounts receivable factoring and related programs with various financial institutions for certain receivables. Such programs are accounted for as true sales of receivables, as they are either without recourse to us or transfer substantially all the risk and rewards to the financial institutions. Receivables of $661 million were sold under these programs at 31 December 2022 (31 December 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 year before income tax expense/(credit), net finance expense, depreciation and amortisation, 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 annualised impact of the cash dividends declared by AMP due to be received by the ARGID Restricted Group[13]. 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 Income Statement as referred to in Note 4 - Exceptional items of the audited consolidated financial statements.

(4) Includes exceptional finance income and expense.

(5) Includes exceptional share of post-tax profit/(loss) in equity accounted joint venture.

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

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

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

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

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

(11) 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 and restricted cash.

(12) Net debt to pro-forma Adjusted LTM EBITDA ratio at 31 December 2022 of 6.6x, is based on net debt at 31 December 2022 of $8,612 million and pro-forma Adjusted EBITDA for the last twelve months to 31 December 2022 of $1,314 million. Net debt to Adjusted LTM EBITDA ratio at 31 December 2022 of 6.8x, is based on net debt at 31 December 2022 of $8,612 million and reported Adjusted EBITDA for the last twelve months to 31 December 2022 of $1,264 million. Net debt to Adjusted LTM EBITDA ratio at 31 December 2021 of 4.7x, is based on net debt at 31 December 2021 of $5,798 million and Adjusted EBITDA for the year ended 31 December 2021 of $1,245 million.

(13) Restricted Group pro-forma leverage ratio at 31 December 2022 of 6.2x, is based on net debt at December 2022 of $5,575 million divided by the total of AGSA pro-forma LTM Adjusted EBITDA of $1,314 million (See Note 12 above) less the impact of the LTM Adjusted EBITDA for the Ardagh Metal Packaging reportable segments of $625 million and including the pro-forma annualised AMP dividend attributable to AGSA for the twelve months ended 31 December 2022, of $182 million* and including the pro-forma annualised AMP 9% Preferred Shares dividend to AGSA for the twelve months ended 31 December 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 $240 million which have been approved by the board of directors AMP for the year ended 31 December 2022, of which approximately 76.04% is attributed to AGSA ($182 million). See Note 26 - Dividends of the audited consolidated statements for further detail.

** Calculated on a pro-forma basis for a full year impact based on the AMP approved quarterly interim cash dividend declared of 9% on the preferred shares of €12 million (approximately $11 million) for the six months period ended 31 December 2022.

See Notes 3, 19, and 24 of the audited consolidated statements for information regarding the Ardagh Metal Packaging reportable segments, the Restricted Group net debt, and dividends declared and paid by AMP respectively.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Board of Directors

The following table sets forth certain information with respect to members of the board of directors of Ardagh Group S.A. as of 11 April 2023, the approval date of these consolidated financial statements.

Name	Age	Position	Expiration of current directorship term
Paul Coulson	70	Chairman	2023
John Sheehan	57	Chief Financial Officer and Director	2023
Michael Dick	54	Chief Executive Officer Ardagh Glass Packaging and Director	2023
Oliver Graham	55	Chief Executive Officer Ardagh Metal Packaging and Director	2025
Gerald Moloney	65	Director, Executive Committee	2025
Brendan Dowling	75	Director	2025
Houghton Fry	77	Director	2025
Johan Gorter	63	Non-Executive Director	2024
Abigail Blunt	61	Independent Non-Executive Director	2023
Yves Elsen	65	Independent Non-Executive Director	2023
The Rt. Hon. the Lord Hammond of Runnymede	67	Independent Non-Executive Director	2024
Damien O'Brien	67	Independent Non-Executive Director	2024
Hermanus Troskie	52	Non-Executive Director	2024
Edward White	75	Independent Non-Executive Director	2023

Backgrounds of Our Directors and Officers

Paul Coulson

Paul Coulson graduated from Trinity College Dublin with a business degree in 1973. He spent five years with Price Waterhouse in London and Dublin and qualified as a Chartered Accountant in 1978. He then established his own accounting firm before setting up Yeoman International in 1980 and developing it into a significant leasing and structured finance business. In 1998 he became Chairman of Ardagh and initiated the transformation of Ardagh from a small, single plant operation into a leading global packaging company. Over the last 40 years he has been involved in the creation and development of a number of businesses apart from Yeoman and Ardagh. These include Fanad Fisheries, a leading Irish salmon farming company, and Sterile Technologies. Prior to its sale to Stericycle, Inc. in 2006, Sterile Technologies had been developed into the leading medical waste management company in the United Kingdom and Ireland. Mr. Coulson is a citizen of the Republic of Ireland.

John Sheehan

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

Michael Dick

Michael Dick was appointed Chief Executive Officer of Ardagh Glass Packaging in 2022, in addition to his role of Group Chief Commercial Officer. He has previously held the positions of Chief Commercial Officer – Glass Packaging Europe and Business Development Manager – Metal Packaging, within the organisation. Prior to joining Ardagh in 2010, Michael held a number of senior management positions in General Electric and US Can. Michael has a BSc (Hons) degree in Applied Polymer Chemistry from Edinburgh Napier University. He is a British citizen.

Oliver Graham

Oliver Graham is CEO of Ardagh Metal Packaging S.A., a position he has held since 2020. Before taking up this role, Mr. Graham was CEO of Metal Packaging Europe with responsibility for Metal Packaging Brazil, as well as being Ardagh Group S.A. Commercial Director. He joined Ardagh in 2016 following the acquisition of the metal beverage packaging business, prior to which he was Group Commercial Director at Rexam PLC. Mr. Graham joined Rexam PLC in 2013 from The Boston Consulting Group, where he was a partner. He is a British citizen.

Gerald Moloney

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

Brendan Dowling

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

Houghton Fry

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

Johan Gorter

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

Abigail Blunt

Abigail Blunt has had a 30-year career as a corporate and government affairs executive with extensive experience in the consumer packaged goods industry. In September 2022 she left the Kraft Heinz Company after 21 years where she had led the Global Government Affairs function, served as an Advisor to the Board, a Kraft Heinz Foundation Board member and an ESG leader. Earlier in her career, Mrs. Blunt earned significant political acumen through her roles in government and government related entities including Finance Director of the National Republican Congressional Committee (NRCC), Deputy Director of the Bush Re-election Committee, US Chamber of Commerce Foundation Director, Government Affairs Director for the Federal Deposit Insurance Corporation (FDIC) and a legislative aide in the US House of Representatives. Mrs. Blunt was named by Washingtonian Magazine as one of “Washington’s Most Influential People” in 2021. She serves on the Board of Apollo-owned portfolio company, SmartStart, as well as on the Board of VitaKey. She is a member of The Economic Club of Washington and Extraordinary Women on Boards. Mrs. Blunt is an independent director and is a member of the Sustainability Committee. She is a citizen of the United States of America.

Yves Elsen

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

The Rt. Hon. the Lord Hammond of Runnymede

The Rt Hon. the Lord Hammond of Runnymede has had a distinguished career in British politics. A Member of Parliament of the United Kingdom from 1997 to 2019, he held a range of ministerial offices, most recently serving as Chancellor of the Exchequer from 2016 to 2019. Prior to this, he served as Foreign Secretary from 2014 to 2016, as Defence Secretary from

2011 to 2014 and as Transport Secretary from 2010 to 2011. Lord Philip Hammond is an independent director and is a member of the Audit Committee. He is a British citizen.

Damien O'Brien

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

Hermanus Troskie

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

Edward White

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

Committees of the Board of Directors

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

Audit Committee

In 2022, five meetings of the Audit Committee were held, with an attendance rate of 100%. Our Audit Committee currently consists of Damien O'Brien, Yves Elsen, The Rt. Hon. the Lord Hammond of Runnymede and Edward White, with Damien O'Brien serving as the chair of the Audit Committee.

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

- annually review and assess the adequacy of the Audit Committee charter and the performance of the Audit Committee;
- be responsible for recommending the appointment, retention and termination of our independent auditors and determine the compensation of our independent auditors;
- review the plans and results of the audit engagement with the independent auditors;

- evaluate the qualifications, performance and independence of our independent auditors;

- have authority to approve in advance all audit and non audit services by our independent auditors, the scope and terms thereof and the fees therefore;

- review the adequacy of our internal accounting controls;

- ensure the Company maintains a robust risk management function, including in respect of IT and cyber security risk management; and

- meet at least quarterly with our executive officers, internal audit staff and our independent auditors in separate executive sessions.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties and to retain counsel for this purpose where appropriate. Our Board has adopted a written charter for the Audit Committee, which is available on our corporate website at https://www.ardaghgroup.com/corporate/investors/Corporate Governance. The contents of the website are not incorporated by reference into this annual report.

Compensation Committee

In 2022, five meetings of the Compensation Committee were held, with an attendance rate of 100%. Our compensation committee currently consists of Paul Coulson, Brendan Dowling, Damien O'Brien and Hermanus Troskie, with Paul Coulson serving as the chair of the Compensation Committee.

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

- at the request of our Board, reviews and makes recommendations to our Board relating to management succession planning;

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

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

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

Our Board has adopted a written charter for the Compensation Committee, which is available on our corporate website at https://www.ardaghgroup.com/corporate/investors/Corporate Governance. The contents of the website are not incorporated by reference into this annual report.

Nominating and Governance Committee

In 2022, four meetings of the Nominating and Governance Committee were held, with an attendance rate of 100%. Our Nominating and Governance Committee currently consists of Paul Coulson, Brendan Dowling and Houghton Fry, with Paul Coulson serving as the chair of the Nominating and Governance Committee. The Nominating and Governance Committee, among other matters:

- selects and recommends to the Board nominees for election by the shareholders or appointment by the Board;

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

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

- develops and recommends to our Board a set of corporate governance guidelines applicable to us and, periodically reviews such guidelines and recommends changes to our Board for approval as necessary; and

- oversees the annual self-evaluation of our Board.

Our Board has adopted a written charter for the Nominating and Governance Committee, which is available on our corporate website at https://www.ardaghgroup.com/corporate/investors/Corporate Governance. The contents of the website are not incorporated by reference into this annual report.

Sustainability Committee

In 2022, five meetings of the Sustainability Committee were held, with an attendance rate of 100%. The Sustainability Committee currently consists of Michael Dick, Abigail Blunt, Oliver Graham, and John Sheehan, with Michael Dick serving as the chair of the Sustainability Committee. The meetings of the Sustainability Committee are attended by the CEOs of Ardagh Metal Packaging Europe and Americas and Ardagh Glass Packaging Europe and North America and by sustainability, human resources and procurement executives. The Sustainability Committee, among other matters:

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

- makes recommendations to the Board relating to environmental and social sustainability matters;

- develops and oversees the implementation of a sustainability strategy; and

- advises the Board periodically with regard to current and emerging environmental and social sustainability developments.

Our Board has adopted a written charter for the Sustainability Committee, which is available on our corporate website at https://www.ardaghgroup.com/corporate/investors/Corporate Governance. The contents of the website are not incorporated by reference into this annual report.

Finance Committee

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

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

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

Our Board has adopted a written charter for the Finance Committee, which is available on our corporate website at https://www.ardaghgroup.com/corporate/investors/Corporate Governance. The contents of the website are not incorporated by reference into this annual report.

Executive Committee

The Board has established an Executive Committee that oversees the management of the business and affairs of the Company. Paul Coulson, Michael Dick, Oliver Graham, Gerald Moloney and John Sheehan currently serve on the Executive Committee, with Paul Coulson serving as the chair of the Executive Committee.

Our Board has adopted a written charter for the Executive Committee, which is available on our corporate website at https://www.ardaghgroup.com/corporate/investors/Corporate Governance. The contents of the website are not incorporated by reference into this annual report.

Code of Conduct

Our Board has adopted a code of conduct (the "Code") that establishes the standards of ethical conduct applicable to all of our directors, officers, employees, consultants and contractors. The Code addresses, among other things, competition and fair dealing, conflicts of interest, financial matters and external reporting, compliance with applicable governmental laws, rules and regulations, company funds and assets, confidentiality and the process for reporting violations of the Code, employee misconduct, conflicts of interest or other violations. Any waiver of the Code with respect to any director or executive officer will be promptly disclosed and posted on our website. Amendments to the Code will be promptly disclosed and posted on our website. The code is publicly available on our website at 58 http://www.ardaghgroup.com/corporate/investors. The contents of the website are not incorporated by reference into this annual report.

Corporate Governance Guidelines

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

Compensation of Directors and Key Management

The aggregate amount of compensation our key management (including directors) received from the Group for service as key management for the year ended 31 December 2022 was $15 million (2021: $122 million). Please refer to Note 27 – Related party information of the notes to the consolidated financial statements.

Luxembourg Trade Register Number (Registre de Commerce et des Sociétés)

B 160804

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for preparing the consolidated financial statements in accordance with applicable law and regulations.

The consolidated financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state that the consolidated financial statements comply with IFRS as adopted by the EU; and

- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the consolidated financial statements comply with Luxembourg Law. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Quantitative and Qualitative Disclosures of Market Risk

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

Capital structure and risk

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

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

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

The Group's long term liquidity needs primarily relate to the servicing of our debt obligations. We expect to satisfy our future long term liquidity needs through a combination of cash flow generated from operations and, where appropriate, to refinance our debt obligations in advance of their respective maturity dates as we have successfully done in the past. The Group generates substantial cash flow from our operations on an annual basis. The Group had $1,131 million in cash, cash equivalents and restricted cash as of 31 December 2022, as well as available but undrawn liquidity of $930 million under its credit facilities.

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

One of the Group's key metrics has been the ratio of consolidated external net debt as a multiple of Adjusted EBITDA. Adjusted EBITDA is the loss for the period before income tax charge or credit, net finance expense, depreciation and amortisation, exceptional operating items and share of profit or loss in equity accounted joint venture. As at 31 December 2022 the ratio was 6.8x (2021: 4.7x).

Interest rate risk

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

At 31 December 2022, the Group's external borrowings were 97% (2021: 100%) fixed, with a weighted average interest rate of 4.3% (2021: 3.9%). The weighted average interest rate for the Group for the year ended 31 December 2022 was 4.3% (2021: 3.8%).

Holding all other variables constant, including levels of the Group's external indebtedness, at 31 December 2022 a one percentage point increase in variable interest rates would increase interest payable by approximately $3 million (2021: $nil).

Currency exchange risk

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

The Group operates in 16 countries, across four continents and its main currency exposure in the year to 31 December 2022, from the euro functional currency, was in relation to the U.S. dollar, British pound, Swedish krona, Polish zloty, Danish krone, Brazilian real, South African rand and Ethiopian birr. Currency exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

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

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

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

Fluctuations in the value of these currencies with respect to the euro functional currency may have a significant impact on the Group's financial condition and results of operations. The Group believes that a strengthening of the euro exchange rate (the functional currency) by 1% against all other foreign currencies from the 31 December 2022 rate would decrease shareholders' equity by approximately $3 million (2021: $6 million decrease).

Commodity price risk

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

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

Production costs in Ardagh Glass Packaging are sensitive to the price of energy. Our main energy exposure is to the cost of natural gas and electricity. These energy costs have experienced significant volatility in recent years with a corresponding effect on our production costs. In terms of natural gas, which represents a large portion of our energy costs, there is a continuous decoupling between the cost of natural gas and oil, whereby now only significant changes in the price of oil have an impact on the price of natural gas. The volatility in natural gas pricing is driven by shale gas development (United States only), the availability of liquefied natural gas in Europe, as both Europe and Asia compete for shipments and storage, wind and solar intensity levels, as well as geopolitical events. Volatility in the price of electricity is caused by developments in renewable energy policies, including in Germany, the phasing out of nuclear generating capacity, fluctuations in the price of natural gas and coal, the influence of carbon dioxide costs on electricity prices, as well as geopolitical events. The impact of Europe's dependence on Russia for natural gas supply has been evident by the extreme rise in price, as a result of reduced natural gas flows in the second half of 2021 arising from political tensions between Russia and Ukraine and the outbreak of war between countries in the first quarter of 2022. Energy supplies to Europe from Russia decreased further during 2022 as the conflict escalated, resulting in prices reaching a peak in the third quarter of 2022.

The Group implemented energy surcharges during 2022 and included additional pass through clauses in our sales contracts where possible. Where pass through contracts do not exist, the Group has developed an active risk management strategy by entering into forward price fixing arrangements with suppliers for the bulk of our anticipated requirements for the year ahead or in some instances hedging with banks. Such arrangements are used exclusively to obtain certainty of our anticipated energy supplies. The Group avails of the own use exemption and, therefore, these contracts are treated as executory contracts.

The Group typically builds up these contractual positions in tranches. Any natural gas and electricity which is not purchased under forward price fixing arrangements is purchased under index tracking contracts or at spot prices. In particular the Group has sought to diversify its energy sources, accelerating investments in renewable energy and adapting parts of its production foot-print to use fuel oil. The Group typically builds up these contractual positions in tranches of approximately 10% of the anticipated volumes. Any gas and electricity which is not purchased under forward price fixing arrangements is purchased under index tracking contracts or at spot prices.

Credit risk

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

Group policy is to extend credit to customers of good credit standing. Credit risk is managed on an on going basis, by experienced personnel within the Group. The Group's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilisation of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended 31 December 2022, the Group's ten largest customers accounted for approximately 44% of total revenues (2021: 44%). There is no recent history of default with these customers.

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

Liquidity risk

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

To effectively manage liquidity risk, the Group:

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

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

ENVIRONMENTAL, RESEARCH AND DEVELOPMENT ACTIVITIES

Environmental, Health and Safety and Product Safety Regulation

Our operations and properties are regulated under a wide range of laws, ordinances and regulations and other legal requirements concerning the environment, health and safety and product safety in each jurisdiction in which we operate. We believe that our manufacturing facilities are in compliance, in all material respects, with these laws and regulations.

The principal environmental issues we face include the environmental impact of the disposal of water used in our production processes, generation and disposal of waste, the receiving, use and storage of hazardous and non hazardous materials, the potential contamination and subsequent remediation of land, surface water and groundwater arising from our operations and the impact on air quality through gas and particle emissions, including the emission of greenhouse gases.

Research and Development

We have advanced technical and manufacturing capabilities in both metal packaging and glass packaging, including research and development and engineering centres in the United States and Europe, principally based in Elk Grove, Illinois, and Bonn, Germany. In addition, our subsidiary, Heye International GmbH, is a leading provider of engineering solutions to the glass container industry.

Audit Report to the Shareholders of Ardagh Group S.A.

Audit report

To the Shareholders of
Ardagh Group S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Ardagh Group S.A. (the “Company”) and its subsidiaries (the “Group”) as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of changes in equity as at 31 December 2022;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 11 April 2023

Electronically signed by:
Laurence Demelenne

Laurence Demelenne

Consolidated Financial Statements

ARDAGH GROUP S.A.
CONSOLIDATED INCOME STATEMENT

		Year ended 31 December 2022			Year ended 31 December 2021		
	Note	Before exceptional items $'m	Exceptional items $'m	Total $'m	Before exceptional items $'m	Exceptional items $'m	Total $'m
			Note 4			Note 4	
Revenue	3	9,030	–	9,030	7,577	–	7,577
Cost of sales		(7,891)	(75)	(7,966)	(6,469)	(34)	(6,503)
Gross profit		**1,139**	**(75)**	**1,064**	**1,108**	**(34)**	**1,074**
Sales, general and administration expenses		(455)	(59)	(514)	(372)	(422)	(794)
Intangible amortisation and impairment	8	(229)	(244)	(473)	(237)	(395)	(632)
Operating profit/(loss)		**455**	**(378)**	**77**	**499**	**(851)**	**(352)**
Net finance expense	5	(392)	64	(328)	(345)	(32)	(377)
Share of post-tax profit/(loss) in equity accounted joint venture	11	34	(27)	7	(30)	(25)	(55)
Loss before tax		**97**	**(341)**	**(244)**	**124**	**(908)**	**(784)**
Income tax (charge)/credit	6	(29)	(17)	(46)	(46)	64	18
Loss for the year		**68**	**(358)**	**(290)**	**78**	**(844)**	**(766)**
(Loss)/profit attributable to:							
Equity holders				(348)			(739)
Non-controlling interests	24			58			(27)
Loss for the year				**(290)**			**(766)**

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

Approved by the Directors on 11 April 2023

Hermanus Troskie

John Sheehan

ARDAGH GROUP S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2022 $'m	2021 $'m
Loss for the year		**(290)**	**(766)**
Other comprehensive expense:			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
—Arising in the year		(48)	(12)
		(48)	**(12)**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		80	193
—Movement out of reserve to income statement		(29)	(45)
—Movement in deferred tax		20	(12)
		71	**136**
Loss recognised on cost of hedging:			
—New fair value adjustments into reserve		(2)	(1)
—Movement out of reserve		–	(5)
		(2)	**(6)**
Share of other comprehensive expense in equity accounted joint venture	11	**(16)**	**(15)**
Items that will not be reclassified to income statement			
—Re-measurement of employee benefit obligations	20	186	211
—Deferred tax movement on employee benefit obligations		(49)	(34)
		137	**177**
Share of other comprehensive income in equity accounted joint venture	11	**16**	**10**
Total other comprehensive income for the year		**158**	**290**
Total comprehensive expense for the year		**(132)**	**(476)**
Attributable to:			
Equity holders		(207)	(461)
Non-controlling interests	24	75	(15)
Total comprehensive expense for the year		**(132)**	**(476)**

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

Approved by the Directors on 11 April 2023

Hermanus Troskie John Sheehan

ARDAGH GROUP S.A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 31 December 2022 $'m	2021 $'m
Non-current assets			
Intangible assets	8	2,240	2,065
Property, plant and equipment	9	4,825	3,696
Derivative financial instruments	19	15	12
Deferred tax assets	12	153	217
Investment in equity accounted joint venture	11	292	303
Employee benefit assets	20	27	78
Other non-current assets	10	31	28
		7,583	**6,399**
Current assets			
Inventories	13	1,400	1,103
Trade and other receivables	14	1,342	1,189
Contract assets	15	239	182
Derivative financial instruments	19	54	109
Cash, cash equivalents and restricted cash	16	1,131	2,909
Related party receivables*	27	72	23
		4,238	**5,515**
TOTAL ASSETS		**11,821**	**11,914**
Equity attributable to owners of the parent			
Equity share capital	17	23	23
Share premium		1,292	1,292
Capital contribution		485	485
Other reserves		194	350
Retained earnings		(3,419)	(3,218)
		(1,425)	**(1,068)**
Non-controlling interests	24	30	44
TOTAL EQUITY		**(1,395)**	**(1,024)**
Non-current liabilities			
Borrowings	19	9,029	8,254
Lease obligations	19	557	341
Employee benefit obligations	20	361	637
Derivative financial instruments	19	59	4
Deferred tax liabilities	12	375	307
Provisions and other liabilities	21	108	90
		10,489	**9,633**
Current liabilities			
Borrowings	19	25	15
Lease obligations	19	124	99
Interest payable		50	50
Derivative financial instruments	19	55	14
Trade and other payables	22	2,308	2,188
Income tax payable		93	116
Provisions	21	72	46
Dividends payable	26	—	777
		2,727	**3,305**
TOTAL LIABILITIES		**13,216**	**12,938**
TOTAL EQUITY and LIABILITIES		**11,821**	**11,914**

*Prior year amounts which had been included in trade and other receivables previously have been reclassified to conform to the current year presentation

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

Approved by the Directors on 11 April 2023

Hermanus Troskie John Sheehan

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

	Attributable to the owner of the parent										
	Share capital $'m	Share premium $'m	Capital contribution $'m	Foreign currency translation reserve $'m	Cash flow hedge reserve $'m	Cost of hedging reserve $'m	Other reserves $'m	Retained earnings $'m	Total $'m	Non-controlling interests $'m	Total equity $'m
At 1 January 2021	**23**	**1,292**	**485**	**111**	**41**	**12**	–	**(2,326)**	**(362)**	**1**	**(361)**
Loss for the year	–	–	–	–	–	–	–	(739)	**(739)**	(27)	**(766)**
Other comprehensive (expense)/income	–	–	–	(32)	132	(6)	–	184	**278**	12	**290**
Hedging gains transferred to cost of inventory	–	–	–	–	(77)	–	–	–	**(77)**	(12)	**(89)**
Transactions with owners in their capacity as owners											
Business combination - Non-controlling interest	–	–	–	–	–	–	–	865	**865**	57	**922**
Business combination - Listing service	–	–	–	–	–	–	164	–	**164**	–	**164**
Share exchange offer - Non-controlling interest	–	–	–	–	–	–	(397)	374	**(23)**	18	**(5)**
Share exchange offer - Share cancellation	–	–	–	–	–	–	397	(397)	**–**	–	**–**
Re-attribution upon disposal of non-controlling interest	–	–	–	5	–	–	–	–	**5**	(5)	**–**
Dividends (Note 26)	–	–	–	–	–	–	–	(1,179)	**(1,179)**	–	**(1,179)**
At 31 December 2021	**23**	**1,292**	**485**	**84**	**96**	**6**	**164**	**(3,218)**	**(1,068)**	**44**	**(1,024)**
At 1 January 2022	**23**	**1,292**	**485**	**84**	**96**	**6**	**164**	**(3,218)**	**(1,068)**	**44**	**(1,024)**
(Loss)/profit for the year	–	–	–	–	–	–	–	(348)	**(348)**	58	**(290)**
Other comprehensive (expense)/income	–	–	–	(66)	63	(3)	–	147	**141**	17	**158**
Hedging gains transferred to cost of inventory	–	–	–	–	(123)	–	–	–	**(123)**	(28)	**(151)**
Transactions with owners in their capacity as owners											
Own shares repurchased and cancelled by AMP	–	–	–	–	–	–	(32)	–	**(32)**	(3)	**(35)**
Share-based payment reserve	–	–	–	–	–	–	5	–	**5**	–	**5**
Dividends (Note 26)	–	–	–	–	–	–	–	–	**–**	(58)	**(58)**
At 31 December 2022	**23**	**1,292**	**485**	**18**	**36**	**3**	**137**	**(3,419)**	**(1,425)**	**30**	**(1,395)**

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

Approved by the Directors on 11 April 2023

Hermanus Troskie John Sheehan

ARDAGH GROUP S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December 2022 $'m	2021 $'m
Cash flows (used in)/from operating activities			
Cash generated from operations	23	840	959
Interest paid*		(403)	(343)
Settlement of foreign currency derivative financial instruments*		10	14
Income tax paid		(87)	(62)
Net cash from operating activities		**360**	**568**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1,090)	(1,045)
Purchase of businesses, net of cash acquired, and other	25	(572)	(16)
Purchase of intangible assets		(20)	(22)
Proceeds from disposal of property, plant and equipment		4	1
Repayment of loan by immediate parent company	27	23	–
Loan issued to immediate parent company	27	(71)	(23)
Other investing cash flows		(4)	–
Cash flows used in investing activities		**(1,730)**	**(1,105)**
Cash flows from financing activities			
Proceeds from borrowings	19	717	2,766
Repayment of borrowings	19	(130)	(801)
Deferred debt issue costs paid		(16)	(40)
Lease payments	19	(134)	(116)
Dividends paid	26	(835)	(402)
Shares purchased by AMP		(35)	–
Consideration received/(paid) on termination/maturity of derivative financial instruments		51	(72)
Proceeds from issuance of non-controlling interest, net of costs		(1)	925
Costs paid in conjunction with exchange offer		–	(4)
Early redemption premium paid	4	–	(24)
Net cash (outflow)/inflow from financing activities		**(383)**	**2,232**
Net (decrease)/increase in cash and cash equivalents and restricted cash		**(1,753)**	**1,695**
Cash and cash equivalents and restricted cash at the beginning of the year	16	2,909	1,267
Exchange losses on cash and cash equivalents and restricted cash		(25)	(53)
Cash and cash equivalents and restricted cash at the end of the year	16	**1,131**	**2,909**

*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 consolidated financial statements are an integral part of these consolidated financial statements.

Approved by the Directors on 11 April 2023

Hermanus Troskie John Sheehan

Notes to the Consolidated Financial Statements

1. General information

Ardagh Group S.A. (the "Company") was incorporated in Luxembourg on 6 May 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.

On 22 February 2021, the Company announced its entry into a business combination agreement (the "Business Combination Agreement"), by and among others, the Company, Ardagh Metal Packaging S.A. ("AMP"), Ardagh MP MergeCo Inc., a wholly-owned subsidiary of AMP ("MergeCo") and Gores Holdings V Inc. ("Gores Holdings V"), pursuant to which the parties thereto agreed to effect the merger of MergeCo with and into Gores Holdings V, with Gores Holdings V being the surviving corporation as a wholly-owned subsidiary of AMP (the "Merger", and, together with the other transactions contemplated in the Business Combination Agreement, the "Business Combination") to create an independent, pure-play beverage can Company, whose ordinary shares are listed on the New York Stock Exchange (the "NYSE") under the ticker symbol "AMBP."

On 7 September 2021, the Company launched an exchange offer, pursuant to which it offered 2.5 shares of AMP in exchange for each Class A common share of the Company that was validly tendered and not withdrawn at the closing of the exchange offer on 5 October 2021. On 6 October 2021, the Company filed a Form 25 with the U.S. Securities and Exchange Commission (the "SEC") to voluntarily delist its Class A common shares from the NYSE and the Class A common shares were suspended from trading on the NYSE on 6 October 2021. Following delisting of the Class A common shares, on 18 October 2021, the Company filed a Form 15 with the SEC to terminate the registration of its Class A common shares under Section 12(g) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), resulting in the automatic suspension of the Company's reporting obligations under Sections 13(a) and 15(d) of the Exchange Act.

As at 31 December 2022, the Company indirectly holds 76.04% of the ordinary share capital in AMP, its metal packaging business and 100% of the preferred shares in AMP, its metal packaging business, through its wholly-owned subsidiary, Ardagh Investments Holdings Sarl. AMP is a leading supplier of beverage cans globally, with a particular focus on the Americas and Europe. This 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 6,300 people and recorded revenues of $4.7 billion in 2022.

The Company also holds 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 $3.3 billion in 2022.

On 29 April 2022, the Group acquired Consol Holdings Proprietary Limited, the leading producer of glass packaging on the African continent, for an equity value of ZAR10.1 billion ($663 million). Please refer to Note 25 – 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 administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, the European Union, the United Kingdom and the United Nations Security Committee that have been imposed on the Russian government and certain Russian entities and individuals.

The Group has assessed the impact of the current macroeconomic environment in the preparation of the consolidated financial statements.

These consolidated financial statements reflect the consolidation of the legal entities forming the Group for the periods presented. The principal operating subsidiaries forming the Group are listed in Note 27 – Related party transactions and information.

The principal accounting policies that have been applied to the consolidated financial statements are described in Note 2 – Summary of significant accounting policies. These financial statements have also been prepared for the purposes of satisfying the filing requirements for the Irish subsidiaries, the German subsidiaries and a number of the Dutch subsidiaries of the Group. Refer to Note 31 - Filing Requirements for further details.

2. Summary of significant accounting policies

Basis of preparation

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

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

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

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

The consolidated financial statements for the Group were authorised for issue by the board of directors of Ardagh Group S.A. (the "Board") on 11 April 2023.

Going concern

At the date that the audited consolidated financial statements were approved for issue by the Board, the Board has formed the judgment that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, these audited consolidated financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Board has taken into account all available information about a period, extending to at least, 31 December 2023. In arriving at its conclusion, the Board has taken account of the Group's current and anticipated trading performance, together with current and anticipated levels of cash and net debt and the availability of committed borrowing facilities and, as a result, it is the Board's judgment that it is appropriate to prepare the audited consolidated financial statements on a going concern basis.

Recently adopted accounting standards and changes in accounting policies

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after 1 January 2022 have been assessed by the Board and as a result, no new standards or amendments to existing standards effective 1 January 2022 have had a material impact for the Group.

Recent accounting pronouncements

The Board's assessment of the impact of new standards, which are not yet effective and which have not been early adopted by the Group, on the consolidated financial statements and disclosures is on-going but is not expected to have a material impact for the Group.

Basis of consolidation

(i) Subsidiaries

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

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

(ii) Non-controlling interests

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

(iii) Transactions eliminated on consolidation

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

Foreign currency

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

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

(iii) Financial statements of foreign operations

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

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

(iv) Hyperinflationary Economies

When the economy of a country in which the Group operates is deemed hyperinflationary and the functional currency of a Group entity is the currency of that hyperinflationary economy, the financial statements of such Group entities are adjusted so that they are stated in terms of the measuring unit currency at the end of the reporting period. This is the case for the Group's subsidiary in Ethiopia. Revenue and expenses are restated to reflect changes in the general price index from the start of the reporting period, and non-monetary items are restated in the balance sheet to reflect current purchasing power as at the period end using a general price index from the date when they were first recognised. The gain or loss on the net monetary position for the year is presented in net finance income/expense. Comparative amounts are not adjusted. The restated income, expenses and balance sheets are translated to U.S. dollar at the closing rate at the end of the reporting period. Differences arising on translation to U.S. dollar are recognised in other comprehensive income.

Business combinations and goodwill

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

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

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

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

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

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

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

Joint arrangements

(i) Joint ventures

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

Intangible assets

Intangible assets are initially recognised at cost.

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

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

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

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

(i) Computer software

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

(ii) Customer relationships

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

(iii) Technology

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

(iv) Research and development costs

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

Property, plant and equipment

(i) Owned assets

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

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

(ii) Leased assets

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

(iii) Subsequent costs

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

(iv) Depreciation

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

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

Right-of-use assets are depreciated on a straight-line base over the shorter of its useful life and the lease term. Where the lease contains a transfer of ownership or a purchase option which is reasonably certain to be exercised, the right-of-use asset is depreciated over the useful life of the underlying asset.

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

Impairment of non-financial assets

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

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

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

The recoverable amount of assets is the greater of their fair value less costs to dispose and value in use. In assessing fair value less costs to dispose, management uses a market approach, applying a multiple to Adjusted EBITDA for the year ended 31 December 2022. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Inventories

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

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

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

Non-derivative financial instruments

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

(i) Trade and other receivables

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

(ii) Securitised assets

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

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

(iii) Contract assets

Contract assets represent revenue required to be accelerated or recognised over time based on production completed in accordance with the Group's revenue recognition policy (as set out below). A provision for impairment of a contract asset will be recognised using an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

(iv) Cash and cash equivalents and restricted cash

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

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

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

(v) Borrowings

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

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

(vi) Trade and other payables

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

Derivative financial instruments

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

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

(i) Cash flow hedges

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

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

(ii) Net investment hedges

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

(iii) Fair value hedges

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

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

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

Fair value measurement

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

- Disclosures for valuation methods, significant estimates and assumptions (Notes 19 – Financial assets and liabilities and 20 – Employee benefit obligations)

- Quantitative disclosures of fair value measurement hierarchy (Note 19 – Financial assets and liabilities)

- Financial instruments (including those carried at amortised cost) (Note 19 – Financial assets and liabilities)

- Private and Public Warrants (Note 21 – Provisions and other liabilities)

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

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

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

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

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

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

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

Employee benefits

(i) Defined benefit pension plans

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

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

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

(ii) Other long term employee benefits

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

(iii) Defined contribution plans

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

Provisions

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

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

Revenue recognition

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

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

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

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

Exceptional items

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

Finance income and expense

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

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

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

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

Income tax

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

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

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

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

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

Segment reporting

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

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

Critical accounting estimates, assumptions and judgments

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

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

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

(ii) Income taxes

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

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

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

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

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

(iii) Measurement of employee benefit obligations

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

(iv) Exceptional items

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

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

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

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

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

The determination of the fair value of the customer relationship intangible asset acquired requires the use of estimates as outlined in Note 25- Business Combinations.

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

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

Ardagh Group S.A. indirectly holds a stake of 76.04% in AMP, through its wholly owned subsidiary, Ardagh Investments Sarl, with the remaining 23.96% held by external shareholders recognised as non-controlling interest separately within equity.

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

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

3. Segment analysis

Following the Group's acquisition of Consol (see Note 25 – 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 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 business is assessed based on Adjusted EBITDA. Adjusted EBITDA is the profit or loss for the period before income tax charge or credit, net finance expense, depreciation and amortisation, exceptional operating items and share of profit or loss in equity accounted joint venture. Other items are not allocated to segments, as these are reviewed by the CODM on a group-wide basis. Segmental revenues are derived from sales to external customers. Inter-segment revenue and revenue with joint ventures are not material.

Reconciliation of loss for the year to Adjusted EBITDA

	Year ended 31 December	
	2022	**2021**
	$'m	**$'m**
Loss for the year	(290)	(766)
Income tax charge/credit (Note 6)	46	(18)
Net finance expense (Note 5)	328	377
Depreciation and amortisation (Notes 8 and 9)	809	746
Exceptional operating items (Note 4)	378	851
Share of post-tax (profit)/loss in equity accounted joint venture (Note 11)	(7)	55
Adjusted EBITDA	**1,264**	**1,245**

Segment results for the year ended 31 December 2022 are:

	Ardagh Metal Packaging Europe $'m	**Ardagh Metal Packaging Americas $'m**	**Ardagh Glass Packaging Europe & Africa $'m**	**Ardagh Glass Packaging North America $'m**	**Group $'m**
Revenue	1,963	2,726	2,534	1,807	**9,030**
Adjusted EBITDA	200	425	476	163	**1,264**
Capital expenditure	213	382	335	176	**1,106**
Segment assets (excluding Investment in equity accounted joint venture)	2,754	3,111	3,999	1,665	**11,529**

Segment results for the year ended 31 December 2021 are:

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

One customer accounted for greater than 10% of total revenue of the Group in 2022 (2021: one).

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

Segment assets consist of intangible assets, property, plant and equipment, derivative financial instrument assets, deferred tax assets, employee benefit assets, other non-current assets, inventories, trade and other receivables, contract assets and cash, cash equivalents and restricted cash. The accounting policies of the segments are the same as those in the consolidated financial statements of the Group as set out in Note 2 – Summary of significant accounting policies. Please refer to Note 16 – Cash and cash equivalents and restricted cash for more details.

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

	Year ended 31 December	
Revenue	**2022 $'m**	**2021 $'m**
United States	3,913	3,394
United Kingdom	997	883

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

Non-current assets, excluding derivative financial instruments, taxes, pensions, investment in material joint venture and goodwill arising on acquisitions in countries which account for more than 10% of non-current assets are the U.S. 40% (2021: 44%), Germany 11% (2021: 13%) and the United Kingdom 9% (2021: 12%).

The Company is domiciled in Luxembourg. During the year the Group had revenues of $2 million (2021: $2 million) with customers in Luxembourg. Non current assets located in Luxembourg were $3 million (2021: $3 million).

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

The following illustrates the disaggregation of revenue by destination for the year ended 31 December 2022:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Ardagh Metal Packaging Europe	1,937	10	16	1,963
Ardagh Metal Packaging Americas	–	2,178	548	2,726
Ardagh Glass Packaging Europe & Africa	1,964	28	542	2,534
Ardagh Glass Packaging North America	–	1,805	2	1,807
Group	**3,901**	**4,021**	**1,108**	**9,030**

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

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

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

	Year ended 31 December	
	2022 $'m	**2021 $'m**
Over time	3,747	3,160
Point in time	5,283	4,417
Group	**9,030**	**7,577**

4. Exceptional items

	Year ended 31 December	
	2022	2021
	$'m	$'m
Start-up related and other costs	75	30
Restructuring and other costs	—	3
Cyber security incident, net of insurance recovery	—	1
Exceptional items - cost of sales	**75**	**34**
Transaction-related and other costs	67	415
Settlement of US legal matter	(34)	—
Restructuring and other costs	14	3
Cyber transformation costs	12	—
Cyber security incident, net of insurance recovery	—	4
Exceptional items - SGA expenses	**59**	**422**
Impairment - goodwill	165	395
Impairment - customer relationships	79	—
Exceptional items - impairment of intangible assets	**244**	**395**
Gains on exceptional derivative financial instruments and warrants revaluation	(64)	—
Debt refinancing and settlement costs	—	23
Interest expense	—	17
Other exceptional credit	—	(8)
Exceptional items - finance (income)/expense	**(64)**	**32**
Share of exceptional items in equity accounted joint venture	27	25
Exceptional items	**341**	**908**
Exceptional income tax charge/(credit)	17	(64)
Total exceptional charge, net of tax	**358**	**844**

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 $358 million have been recognised for the year ended 31 December 2022, primarily comprising:

- $75 million start-up related and other costs primarily in Ardagh Metal Packaging Americas ($40 million) and Ardagh Metal Packaging Europe ($27 million), primarily relating to the Group's investment programs. A further $5 million relating to purchase price accounting in Ardagh Glass Packaging Europe & Africa and $3 million other costs in Ardagh Glass Packaging North America, as a result of extreme weather related disruption.

- $67 million transaction-related and other costs primarily relating to professional advisory and other costs in connection with transformation initiatives in Ardagh Metal Packaging ($14 million), $9 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 & Africa ($40 million). A further $4 million of costs related to acquisition and transaction costs, including professional advisory fees and other costs across Ardagh Glass Packaging.

- $34 million credit arising in Ardagh Glass Packaging North America from the resolution of a US patent infringement matter, which offsets losses and costs previously incurred in connection with these proceedings.

- $14 million restructuring and other costs in Ardagh Glass Packaging North America and Ardagh Glass Packaging Europe & Africa.

- $12 million relating to IT transformation costs following the 2021 cyber security incident, including professional support fees.

- $244 million impairment of goodwill and customer relationships in Ardagh Glass Packaging North America, as further detailed in Note 8 – Intangible assets.

- $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 29 April 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.

- $27 million from the Group's share of exceptional items arising in Trivium.

- $17 million from tax charges relating to the above exceptional items.

2021

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

- $30 million start-up related costs arising in Ardagh Metal Packaging Americas ($21 million) and Ardagh Metal Packaging Europe ($9 million), relating to the Group's investment programs.

- $5 million net costs resulting from the cyber security incident, comprising $34 million of professional support fees and direct incremental costs, partly offset by $29 million of insurance recoverable recorded at 31 December 2021.

- $415 million transaction-related and other costs, comprised of an expense of $205 million relating to the service for the listing of the shares in AMP upon the completion of the Business Combination on 4 August 2021, with the remaining costs relating to business combination, acquisition and other transaction costs, including transaction-related remuneration costs, professional advisory fees, and other costs related to transformation initiatives.

- $3 million restructuring and other costs in Ardagh Glass Packaging North America and Ardagh Glass Packaging Europe.

- $395 million impairment of goodwill in Ardagh Glass Packaging North America, as further detailed in note 8 – Intangible assets.

- $23 million debt refinancing, and settlement costs related to the redemption of the Group's 6.000% Senior Notes in August 2021 as described in note 19, including premium payable on the early redemption of the notes and accelerated amortisation 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 1 April 2021 and $12 million related to interest charges on the Group's 6.000% Senior Notes from the AMP transfer date, related to the combination of Ardagh Metal Packaging with Gores Holdings V as outlined in note 1 - General information, to the date of redemption.

- $8 million credit primarily related to entering forward foreign exchange contracts in preparation of the proposed Consol acquisition as outlined in note 1 - General information.

- $25 million from the share of exceptional items in the Trivium joint venture.

- $64 million from tax credits relating to the above exceptional items.

5. Net finance expense

	Year ended 31 December	
	2022	2021
	$'m	$'m
Bond and Senior Facilities interest expense*	378	334
Other interest expense	49	42
Related Party interest income	(1)	—
Net interest expense	**426**	**376**
Net pension interest cost	9	11
Foreign currency translation gains	(14)	(10)
Gains on derivative financial instruments	(1)	(28)
Net monetary gain - hyperinflation	(11)	—
Other finance income	(17)	(4)
Net finance expense before exceptional items	**392**	**345**
Net exceptional finance (income)/expense (Note 4)	(64)	32
Net finance expense	**328**	**377**

*Includes interest related to Senior Secured, Senior Secured Green, Senior, Senior Green Notes, Senior Term Facilities A&B and Senior Facility C.

During the year ended 31 December 2022, the Group recognised $28 million (2021: $20 million) related to lease liabilities within other interest expense and interest paid in cash used in operating activities.

6. Income tax

	Year ended 31 December	
	2022	2021
	$'m	$'m
Current tax:		
Current tax for the year	63	65
Adjustments in respect of prior years	(4)	(8)
Total current tax	**59**	**57**
Deferred tax:		
Deferred tax for the year	(16)	(78)
Adjustments in respect of prior years	3	3
Total deferred tax	**(13)**	**(75)**
Income tax charge/(credit)	**46**	**(18)**

Reconciliation of income tax charge/(credit)and the loss before tax multiplied by the Group's domestic tax rate for 2022 and 2021 is as follows:

	Year ended 31 December	
	2022	2021
	$'m	$'m
Loss before tax	**(244)**	**(784)**
Loss before tax multiplied by the standard rate of Luxembourg corporation tax: 24.94% (2021: 24.94%)	(61)	(196)
Tax losses for which no deferred income tax asset was recognised	74	23
Re-measurement of deferred taxes	—	12
Adjustment in respect of prior years	(1)	(5)
Income subject to state and other local income taxes	12	11
Income taxed at rates other than standard tax rates	(23)	(20)
Non-deductible and other items	45	157
Income tax charge/(credit)	**46**	**(18)**

The total income tax charge/(credit) outlined above for each year includes a tax charge of $17 million in 2022 (2021: $64 million credit) in respect of exceptional items, being the tax effect of the items set out in Note 4 – Exceptional Items.

Tax losses for which no deferred income tax asset was recognised relates to net operating losses and the carry-forward of interest expense in certain jurisdictions in the year ended 31 December 2022, and to partially tax deductible Business Combination expenses in Luxembourg in the year ended 31 December 2021. Re-measurement of deferred taxes relates to the impact of the substantially enacted change in rate of corporation tax in the United Kingdom in the year ended 31 December 2021. Income taxed at non standard rates takes account of foreign tax rate differences (versus the Luxembourg standard 24.94% rate on earnings).

Non-deductible items in 2022 principally relates to interest expense in Ireland and Luxembourg in the year ended 31 December 2022. In the year ended 31 December 2021, non-deductible items principally relates to transaction costs attributable to the completion of the Business Combination, including the service for listing of the shares in Ardagh Metal Packaging in accordance with IFRS 2, in addition to interest expense in Ireland.

The Group is monitoring the progress of the recent OECD announcements in relation to a two-pillar solution to reform the global corporate international tax system, commonly referred to as the Base Erosion and Profit Shifting 2.0 project ("BEPS 2.0"). While further clarity is required on how the OECD model rules are to be interpreted and implemented, the proposals are not expected to have a material impact on the effective tax rate of the Group.

7. Employee costs

	Year ended 31 December	
	2022	**2021**
	$'m	**$'m**
Wages and salaries	1,432	1,340
Social security costs	180	167
Defined benefit pension plan costs (Note 20)	29	12
Defined contribution plan pension costs (Note 20)	52	51
Group employee costs	**1,693**	**1,570**

	Year ended 31 December	
Employees	**2022**	**2021**
Ardagh Metal Packaging Europe	3,420	3,196
Ardagh Metal Packaging Americas	2,899	2,565
Ardagh Glass Packaging Europe & Africa	9,407	6,650
Ardagh Glass Packaging North America	5,265	5,336
Group	**20,991**	**17,747**

8. Intangible assets

	Goodwill $'m	Customer relationships $'m	Technology and other $'m	Software $'m	Total $'m
2021					
Cost					
At 1 January 2021	1,682	2,156	150	105	**4,093**
Additions	—	—	15	7	**22**
Acquisitions	3	—	—	—	**3**
Impairment (Note 4)	(395)	—	—	—	**(395)**
Transfers	—	—	(3)	3	**—**
Exchange	(53)	(65)	(2)	(4)	**(124)**
At 31 December 2021	**1,237**	**2,091**	**160**	**111**	**3,599**
Amortisation					
At 1 January 2021		(1,119)	(142)	(76)	**(1,337)**
Charge for the year		(211)	(19)	(7)	**(237)**
Exchange		34	3	3	**40**
At 31 December 2021		**(1,296)**	**(158)**	**(80)**	**(1,534)**
Net book value					
At 31 December 2021	**1,237**	**795**	**2**	**31**	**2,065**
2022					
Cost					
At 1 January 2022	1,237	2,091	160	111	**3,599**
Additions	—	—	19	1	**20**
Acquisitions (Note 25)	340	402	—	—	**742**
Disposal	—	—	—	(6)	**(6)**
Impairment (Note 4)	(165)	(79)	—	—	**(244)**
Derecognition of fully amortised assets		(601)	—	—	**(601)**
Transfers	—	—	(15)	15	**—**
Exchange	(45)	(102)	(2)	(3)	**(152)**
At 31 December 2022	**1,367**	**1,711**	**162**	**118**	**3,358**
Amortisation					
At 1 January 2022		(1,296)	(158)	(80)	**(1,534)**
Charge for the year		(215)	(6)	(8)	**(229)**
Derecognition of fully amortised assets		601	—	—	**601**
Disposal		—	—	6	**6**
Exchange		34	2	2	**38**
At 31 December 2022		**(876)**	**(162)**	**(80)**	**(1,118)**
Net book value					
At 31 December 2022	**1,367**	**835**	**—**	**38**	**2,240**

Amortisation expense of $229 million (2021: $237 million) has been charged to the consolidated income statement of the Group.

Impairment

An impairment charge of $244 million (2021: $395 million) before the impact of deferred tax, was recognised in the year ended 31 December 2022 in respect of the goodwill and customer-relationship intangible in Ardagh Glass Packaging North America. Please refer to the section *Impairment test for Ardagh Glass Packaging North America.*

Aside from that noted above, the Group has considered the carrying value of the Group's intangible assets and assessed for indicators of impairment as at 31 December 2022 in accordance with IAS 36. No such indicators of impairment were identified. The Group has concluded that the potential impact of climate change does not have a significant impact on the carrying value or remaining useful lives of the intangible assets of the Group as of 31 December 2022.

Goodwill

Allocation of goodwill

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

The lowest level within the Group at which the goodwill is monitored for internal management purposes, and consequently the groups of CGUs to which goodwill is allocated, is set out below. The Ardagh Glass Packaging Africa operating segment is included as a CGU as at 31 December 2022. On this basis, the Group's CGUs are identified as follows:

	At 31 December	
	2022	**2021**
	$'m	**$'m**
Ardagh Metal Packaging Europe	537	570
Ardagh Metal Packaging Americas	439	440
Ardagh Glass Packaging Europe	58	62
Ardagh Glass Packaging Africa	333	—
Ardagh Glass Packaging North America	—	165
Total Goodwill	**1,367**	**1,237**

Impairment tests for goodwill

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

Recoverable amount and carrying amount

The Group uses the fair value less costs of disposal ("FVLCD") model for the purposes of its annual goodwill impairment test. In assessing FVLCD, for all CGU's other than Ardagh Glass Packaging North America, management uses a market approach, which includes, as a key assumption, a multiple to Adjusted EBITDA for the year ended 31 December 2022. The multiple used is based on comparable companies and market valuations and was further adjusted for selling costs. The valuation is considered to be level 2 in the fair value hierarchy.

A sensitivity analysis was performed reflecting reasonably possible potential variations in the applied Adjusted EBITDA multiple. If the multiple which was applied to the Adjusted EBITDA for the year ended 31 December 2022, was reduced by 1x, the recoverable amounts calculated for all CGUs other than Ardagh Glass Packaging North America are still significantly in excess of their carrying values. As a result of the significant excess of recoverable amount, management consider that completing the calculation of the recoverable amount for all CGUs other than Ardagh Glass Packaging North America using a value in use ("VIU") model or providing additional disclosures under IAS36 are not required.

In the year ended 31 December 2021, the Group used the VIU model for the purposes of goodwill impairment testing, as this reflected the Group's intention to hold and operate the assets. However, if an impairment indicator existed for a CGU, the Group also used the FVLCD model in order to establish the recoverable amount being the higher of the VIU model and FVLCD model when compared to the carrying value of the CGU.

Impairment test for Ardagh Glass Packaging North America

In 2021, arising out of operational challenges, an impairment of $395 million was recognised in respect of the carrying value of goodwill in the Ardagh Glass Packaging North America CGU. In 2022, management initiated a detailed review of the business in order to address the underperformance of recent years and to determine a route to sustained profitability and cash generation, which led to a review of the carrying amount and remaining useful life of the customer relationship intangible assets in Ardagh Glass Packaging North America and resulted in recognition of an impairment of the entire carrying amount of $79 million. Further, in its assessment of goodwill impairment, as at 31 December 2022, management considered the operational challenges that continued in 2022, in addition to macro economic impacts and management actions around inventory control in the fourth quarter that resulted in reported Adjusted EBITDA for the year 31 December 2022 of $163 million. Management has determined the recoverable amount by assessing the FVLCD of the underlying assets using a market approach, on the basis that this gave a higher recoverable amount than an assessment based on VIU. The valuation is considered to be level 2 in the fair value hierarchy, due to unobservable inputs used in the valuation.

The key assumptions applied in the FVLCD calculation for the Ardagh Glass Packaging North America CGU are, by their nature, subjective and include, adjustments to forecasted full year 2023 Adjusted EBITDA for projected sales price increases and sales volume demand, as part of estimating the projected Adjusted EBITDA from a market participant's perspective and the valuation multiple which a market participant would apply to projected risk-Adjusted EBITDA. A multiple of 6.5x (2021: 6.5x) was applied to the market participant projected risk-Adjusted EBITDA, based on comparable companies and market transactions, which was further adjusted for selling costs. The recoverable amount of $1,069 million was then compared to the carrying value of the Ardagh Glass Packaging North America CGU, resulting in the recognition of an impairment charge of $165 million (before the impact of deferred tax) on goodwill allocated to Ardagh Glass Packaging North America in the year ended 31 December 2022 representing the full write down of goodwill in the Ardagh Glass Packaging North America CGU.

A sensitivity analysis was performed on the FVLCD calculation by increasing and decreasing the projected risk-Adjusted EBITDA from a market participant's perspective by 5%, and increasing and decreasing the multiple which was applied to the projected risk-Adjusted EBITDA from a market participant's perspective by 25 basis points. If the projected risk-Adjusted EBITDA from a market participant's perspective were to decrease by 5%, the impairment charge (before the impact of deferred tax) would increase by an estimated $53 million. If the projected risk-Adjusted EBITDA from a market participant's perspective were to increase by 5%, the impairment charge (before the impact of deferred tax) would decrease by an estimated $53 million. If the multiple which was applied to the projected risk-Adjusted EBITDA from a market participant's perspective were to decrease by 25 basis points, the impairment charge (before the impact of deferred tax) would increase by an estimated $41 million. If the multiple which was applied to the projected risk-Adjusted EBITDA from a market participant's perspective were to increase by 25 basis points, the impairment charge (before the impact of deferred tax) would decrease by an estimated $41 million.

9. Property, plant and equipment

	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and other $'m	Total $'m
2021				
Cost				
At 1 January 2021	1,140	3,619	171	**4,930**
Additions	119	1,150	69	**1,338**
Acquisitions	11	22	—	**33**
Disposals	(8)	(174)	(24)	**(206)**
Exchange	(51)	(123)	(4)	**(178)**
At 31 December 2021	**1,211**	**4,494**	**212**	**5,917**
Depreciation				
At 1 January 2021	(383)	(1,535)	(67)	**(1,985)**
Charge for the year	(96)	(374)	(39)	**(509)**
Disposals	7	174	21	**202**
Exchange	19	50	2	**71**
At 31 December 2021	**(453)**	**(1,685)**	**(83)**	**(2,221)**
Net book value				
At 31 December 2021	**758**	**2,809**	**129**	**3,696**
2022				
Cost				
At 1 January 2022	1,211	4,494	212	**5,917**
Additions	387	979	92	**1,458**
Acquisitions (Note 25)	159	254	7	**420**
Disposals	(33)	(240)	(17)	**(290)**
Hyperinflation adjustment	3	3	—	**6**
Exchange	(64)	(194)	(12)	**(270)**
At 31 December 2022	**1,663**	**5,296**	**282**	**7,241**
Depreciation				
At 1 January 2022	(453)	(1,685)	(83)	**(2,221)**
Charge for the year	(118)	(407)	(55)	**(580)**
Disposals	29	231	18	**278**
Exchange	23	79	5	**107**
At 31 December 2022	**(519)**	**(1,782)**	**(115)**	**(2,416)**
Net book value				
At 31 December 2022	**1,144**	**3,514**	**167**	**4,825**

Depreciation expense of $552 million (2021: $490 million) has been charged in cost of sales and $28 million (2021: $19 million) in sales, general and administration expense.

Construction in progress at 31 December 2022 was $888 million (2021: $797 million) included within plant and machinery.

Included in property, plant and equipment is an amount for land of $214 million (2021: $194 million) and an amount for assets held for sale $1 million (2021: nil).

Substantially all of the Group's property, plant and equipment is pledged as security under the terms and conditions of the Group's financing arrangements. Interest capitalised in the year was $1 million (2021: $1 million).

Impairment

The Group has considered the carrying value of the Group's property, plant and equipment and assessed the indicators of impairment as at 31 December 2022 and 2021, in accordance with IAS 36. No such indicators of impairment were identified. The Group has concluded that the potential impact of climate change does not have a significant impact on the carrying value or remaining useful lives of the property, plant and equipment of the Group as of 31 December 2022.

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

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

Net book value	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and other $'m	Total $'m
At 31 December 2022	306	287	63	**656**
At 31 December 2021	184	146	71	**401**

The increase in the net book value amount of the right-of use assets at 31 December 2022 is primarily the result of total additions to the right-of-use assets of $362 million and an acquisition of $52 million during the year ended 31 December 2022, offset by a depreciation charge of $134 million (Land and buildings: $79 million, Plant and machinery: $39 million, Office equipment, vehicles and other: $16 million), disposals of $8 million and an exchange effect.

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

During 2022, the Group incurred variable lease expense of $91 million (2021: $72 million), primarily related to warehouse leases.

Capital commitments

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

	At 31 December	
	2022 $'m	2021 $'m
Contracted for	440	478
Not contracted for	185	281
	625	**759**

10. Other non-current assets

At 31 December 2022, other non-current assets were $31 million (2021: $28 million), which includes $7 million (2021: $8 million) primarily relating to certain of the Group's investment in its joint ventures.

11. Investment in equity accounted joint venture

Investment in equity accounted joint venture is comprised of the Group's approximate 42% investment in Trivium, which is incorporated in the Netherlands, with corporate offices in Amsterdam. The remaining approximate 58% is held by Ontario Teachers' Pension Plan Board. 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 31 October 2019, which governs their relationship as owners of Trivium, including in respect of the governance of Trivium and its subsidiaries, their ability to transfer their shares in Trivium and other customary matters.

The following table provides aggregated financial information for Trivium as it relates to the amounts recognised by Ardagh in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of financial position.

	Year ended 31 December	
	2022	**2021**
	$'m	**$'m**
Investment in joint venture	292	303
Share of profit/(loss) for the period	7	(55)
Other comprehensive expense	–	(5)
Total comprehensive gain/(loss)	**7**	**(60)**

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

	2022	**2021**
	$'m	**$'m**
Group's interest in net assets of equity accounted joint venture at 1 January	303	390
Share of total comprehensive income/(expense)	7	(60)
Foreign exchange	(18)	(27)
Carrying amount of interest in equity accounted joint venture - 31 December	**292**	**303**

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 31 December 2022.

The Group was party to a Mutual Services Agreement ("MSA") with Trivium, pursuant to which the Group and Trivium provide services to each other. The MSA ended as of November 2022.

The Group recognised net income of $3 million in respect of the MSA in the year ended 31 December 2022 (31 December 2021: $11 million).

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

12. Deferred tax

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

	Assets	**Liabilities**	**Total**
	$'m	**$'m**	**$'m**
At 1 January 2021	**420**	**(544)**	**(124)**
Credited to the income statement (Note 6)	68	7	75
Charged to other comprehensive income	(34)	(12)	(46)
Exchange	(11)	16	5
At 31 December 2021	**443**	**(533)**	**(90)**
(Charged)/credited to the income statement (Note 6)	(14)	27	13
(Charged)/credited to other comprehensive income	(56)	27	(29)
Disposals/Acquisitions	32	(162)	(130)
Exchange	(18)	32	14
At 31 December 2022	**387**	**(609)**	**(222)**

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

	At 31 December	
	2022 $'m	2021 $'m
Tax losses	77	113
Employee benefit obligations	62	127
Depreciation timing differences	78	82
Provisions	94	74
Other	76	47
	387	**443**
Available for offset	(234)	(226)
Deferred tax assets	**153**	**217**
Intangible assets	(198)	(171)
Accelerated depreciation and other fair value adjustments	(373)	(300)
Other	(38)	(62)
	(609)	**(533)**
Available for offset	234	226
Deferred tax liabilities	**(375)**	**(307)**

The tax credit recognised in the consolidated income statement is analysed as follows:

	Year ended 31 December	
	2022 $'m	2021 $'m
Tax losses	(35)	69
Employee benefit obligations	2	(4)
Depreciation timing differences	(8)	2
Provisions	1	3
Other deferred tax assets	26	(2)
Intangible assets	76	85
Accelerated depreciation and other fair value adjustments	(47)	(67)
Other deferred tax liabilities	(2)	(11)
	13	**75**

Deferred tax assets are only recognised on tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable based on management's forecasts. The Group did not recognise deferred tax assets of $98 million (2021: $55 million) in respect of tax losses amounting to $494 million (2021: $221 million) that can be carried forward against future taxable income due to uncertainty regarding their utilisation.

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

13. Inventories

	Year ended 31 December	
	2022 $'m	2021 $'m
Raw materials and consumables	569	430
Mold parts	62	52
Work-in-progress	19	16
Finished goods	750	605
	1,400	**1,103**

Certain inventories held by the Group have been pledged as security under the Group's Global Asset Based Loan Facilities (Note 19 – Financial assets and liabilities). The amount recognised as a write down in inventories or as a reversal of a write down in the year ended 31 December 2022 is $3 million (2021: $2 million).

At 31 December 2022, the hedging gain included in the carrying value of inventories, which will be recognised in the income statement when the related finished goods have been sold is $4 million (2021: $14 million).

14. Trade and other receivables

	Year ended 31 December	
	2022	**2021**
	$'m	**$'m**
Trade receivables	1,045	826
Other receivables and prepayments	297	363
	1,342	**1,189**

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

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

	2022	**2021**
	$'m	**$'m**
At 1 January	**9**	**11**
Provision for receivables impairment	5	—
Receivables written off during the year as uncollectible	—	(2)
Net remeasurement of loss allowance	(7)	—
Exchange	1	—
At 31 December	**8**	**9**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable set out above.

Provisions against specific balances

Significant balances are assessed for evidence of increased credit risk. Examples of factors considered are high probability of bankruptcy, breaches of contract or major concession being sought by the customer. Instances of significant single customer related bad debts are rare.

Providing against the remaining population of customers

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

As of 31 December 2022, trade receivables of $62 million (2021: $36 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	Year ended 31 December	
	2022	**2021**
	$'m	**$'m**
Up to three months past due	49	33
Three to six months past due	4	1
Over six months past due	9	2
	62	**36**

Receivables Factoring and Related Programs

The Group participates in several uncommitted accounts receivable factoring and related programs with various financial institutions for certain receivables. Such programs are accounted for as true sales of receivables, as they are either without recourse to the Group or transfer substantially all the risk and rewards to the financial institutions. Receivables of $661 million were sold under these programs at 31 December 2022 (31 December 2021: $554 million).

15. Contract assets

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

	2022 $'m	2021 $'m
At 1 January	**182**	**139**
Transfers from contract assets recognised at beginning of year to receivables	(176)	(137)
Increases as a result of new contract assets recognised during the year	229	185
Other (including exchange)	4	(5)
At 31 December	**239**	**182**

16. Cash and cash equivalents and restricted cash

	Year ended 31 December	
	2022 $'m	**2021 $'m**
Cash at bank and in hand	676	591
Short term bank deposits	447	2,312
Restricted cash	8	6
	1,131	**2,909**

17. 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 31 December 2021	2.9	217.7	220.6	23
At 31 December 2022	**2.9**	**217.7**	**220.6**	**23**

The authorised share capital of the Company is set at fifty-five million Euro and zero Cents. (EUR 55,000,000), divided into one billion (1,000,000,000) Class A common shares, with a par value of EUR 0.01 each, and four hundred and fifty million (450,000,000) of Class B common shares, with a par value of EUR 0.10 per share.

There were no material share transactions in the year ended 31 December 2022.

18. Financial risk factors

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

Capital structure and risk

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

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

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

The Group's long term liquidity needs primarily relate to the servicing of our debt obligations. We expect to satisfy our future long term liquidity needs through a combination of cash flow generated from operations and, where appropriate, to refinance our debt obligations in advance of their respective maturity dates as we have successfully done in the past. The Group generates substantial cash flow from our operations on an annual basis. The Group had $1,131 million in cash, cash equivalents and restricted cash as of 31 December 2022, as well as available but undrawn liquidity of $930 million under its credit facilities.

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

One of the Group's key metrics has been the ratio of consolidated external net debt as a multiple of Adjusted EBITDA. Adjusted EBITDA is the loss for the period before income tax charge or credit, net finance expense, depreciation and amortisation, exceptional operating items and share of profit or loss in equity accounted joint venture. As at 31 December 2022 the ratio was 6.8x (2021: 4.7x).

Interest rate risk

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

At 31 December 2022, the Group's external borrowings were 97% (2021: 100%) fixed, with a weighted average interest rate of 4.3% (2021: 3.9%). The weighted average interest rate for the Group for the year ended 31 December 2022 was 4.3% (2021: 3.8%).

Holding all other variables constant, including levels of the Group's external indebtedness, at 31 December 2022 a one percentage point increase in variable interest rates would increase interest payable by approximately $3 million (2021: $nil).

Currency exchange risk

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

The Group operates in 16 countries, across four continents and its main currency exposure in the year to 31 December 2022, from the euro functional currency, was in relation to the U.S. dollar, British pound, Swedish krona, Polish zloty, Danish krone, Brazilian real, South African rand and Ethiopian birr. Currency exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

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

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

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

Fluctuations in the value of these currencies with respect to the euro functional currency may have a significant impact on the Group's financial condition and results of operations. The Group believes that a strengthening of the euro exchange rate (the functional currency) by 1% against all other foreign currencies from the 31 December 2022 rate would decrease shareholders' equity by approximately $3 million (2021: $6 million decrease).

Commodity price risk

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

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

Production costs in Ardagh Glass Packaging are sensitive to the price of energy. Our main energy exposure is to the cost of natural gas and electricity. These energy costs have experienced significant volatility in recent years with a corresponding effect on our production costs. In terms of natural gas, which represents a large portion of our energy costs, there is a continuous decoupling between the cost of natural gas and oil, whereby now only significant changes in the price of oil have an impact on the price of natural gas. The volatility in natural gas pricing is driven by shale gas development (United States only), the availability of liquefied natural gas in Europe, as both Europe and Asia compete for shipments and storage, wind and solar intensity levels, as well as geopolitical events. Volatility in the price of electricity is caused by developments in renewable energy policies, including in Germany, the phasing out of nuclear generating capacity, fluctuations in the price of natural gas and coal, the influence of carbon dioxide costs on electricity prices, as well as geopolitical events. The impact of Europe's dependence on Russia for natural gas supply has been evident by the extreme rise in price, as a result of reduced natural gas flows in the second half of 2021 arising from political tensions between Russia and Ukraine and the outbreak of war between countries in the first quarter of 2022. Energy supplies to Europe from Russia decreased further during 2022 as the conflict escalated, resulting in prices reaching a peak in the third quarter of 2022.

The Group implemented energy surcharges during 2022 and included additional pass through clauses in our sales contracts where possible. Where pass through contracts do not exist, the Group has developed an active risk management strategy by entering into forward price fixing arrangements with suppliers for the bulk of our anticipated requirements for the year ahead or in some instances hedging with banks. Such arrangements are used exclusively to obtain certainty of our anticipated energy supplies. The Group avails of the own use exemption and, therefore, these contracts are treated as executory contracts.

The Group typically builds up these contractual positions in tranches. Any natural gas and electricity which is not purchased under forward price fixing arrangements is purchased under index tracking contracts or at spot prices. In particular the Group has sought to diversify its energy sources, accelerating investments in renewable energy and adapting parts of its production foot-print to use fuel oil.

Credit risk

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

Group policy is to extend credit to customers of good credit standing. Credit risk is managed on an on going basis, by experienced personnel within the Group. The Group's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilisation of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended 31 December 2022, the Group's ten largest customers accounted for approximately 44% of total revenues (2021: 44%). There is no recent history of default with these customers.

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

Liquidity risk

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

To effectively manage liquidity risk, the Group:

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

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

19. Financial assets and liabilities

The Group's net debt was as follows:

	Year ended 31 December	
	2022	**2021**
	$'m	**$'m**
Restricted loan notes	5,453	5,527
Unrestricted loan notes	3,231	2,726
Senior facilities	324	—
Lease obligations and other borrowings	727	456
Net borrowings	**9,735**	**8,709**
Cash and cash equivalents and restricted cash	(1,131)	(2,909)
Derivative financial instruments used to hedge foreign currency and interest rate risk	8	(2)
Net debt	**8,612**	**5,798**

The Group's net borrowings of $9,735 million (2021: $8,709 million) are classified as non-current liabilities of $9,586 million (2021: $8,595 million) and current liabilities of $149 million (2021: $114 million) in the consolidated statement of financial position at 31 December 2022.

At 31 December 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	$'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	468	–	468	–
2.125% Senior Secured Notes	EUR	790	15-Aug-26	Bullet	843	–	843	–
4.750% Senior Notes	GBP	400	15-Jul-27	Bullet	481	–	481	–
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	28-Feb-24	Bullet	289	–	289	–
JIBAR + 2.65% Senior Facility C	ZAR	595	28-Feb-24	Bullet	35	–	35	–
Global Asset Based Loan Facility	USD	433	30-Mar-27	Revolving	–	–	–	433
Lease obligations	Various	–		Amortising	354	327	681	–
Other borrowings/credit lines	Various	–	Rolling	Amortising	15	40	55	82
2.000% Senior Secured Green Notes	EUR	450	01-Sep-28	Bullet	–	480	480	–
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	–	533	533	–
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
Total borrowings / undrawn facilities					**6,200**	**3,630**	**9,830**	**930**
Deferred debt issue costs and bond discounts/bond premium					(57)	(38)	(95)	–
Net borrowings / undrawn facilities					**6,143**	**3,592**	**9,735**	**930**
Cash, cash equivalents and restricted cash					(576)	(555)	(1,131)	1,131
Derivative financial instruments used to hedge foreign currency and interest rate risk					8	–	8	–
Net debt / available liquidity					**5,575**	**3,037**	**8,612**	**2,061**

*Unrestricted Group refers to Ardagh Metal Packaging S.A. and its subsidiaries.

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

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in certain areas such as incurrence of additional indebtedness (primarily maximum borrowings to Adjusted EBITDA and a minimum Adjusted EBITDA to interest expense), payment of dividends and incurrence of liens.

Borrowing facilities in Africa also contain customary maintenance covenants, primarily net debt to EBITDA and interest coverage tests, all of which were in compliance at year end.Borrowing facilities in Africa also contain customary maintenance covenants, primarily net debt to EBITDA and interest coverage tests, all of which were in compliance at year end.

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 31 December 2022 and 31 December 2021.

At 31 December 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
					Restricted Group	Unrestricted Group	Total Group	
		Local currency m			$'m	$'m	$'m	$'m
5.250% Senior Secured Notes	USD	700	30-Apr-25	Bullet	700	–	700	–
4.125% Senior Secured Notes	USD	1,215	15-Aug-26	Bullet	1,215	–	1,215	–
2.125% Senior Secured Notes	EUR	439	15-Aug-26	Bullet	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	–		Amortising	258	182	440	–
Other borrowings/credit lines	Various	–	Rolling	Amortising	1	19	20	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
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**

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

	2022 $'m	2021 $'m
Net decrease/(increase) in cash and cash equivalents and restricted cash	1,778	(1,642)
Increase in net borrowings and derivative financial instruments	1,036	1,741
Increase in net debt	2,814	99
Net debt at 1 January	5,798	5,699
Net debt at 31 December	**8,612**	**5,798**

The increase in net debt primarily includes a decrease in cash, cash equivalents and restricted cash of $1.8 billion (2021: increase of $1.6 billion), proceeds from borrowings of $0.7 billion (2021: $2.8 billion), increase in leases of $0.2 billion

(2021: $nil), foreign exchange loss on borrowings of $0.2 billion (2021: gain of $0.2 billion), which is partly offset by repayments of borrowings of $0.1 billion (2021: $0.8 billion).

Maturity Profile

	At 31 December	
	2022 $'m	2021 $'m
Within one year or on demand	81	58
Between one and three years	1,125	71
Between three and five years	4,870	3,361
Greater than five years	124	2,415
Restricted Group total borrowings	**6,200**	**5,905**
Within one year or on demand	68	56
Between one and three years	100	55
Between three and five years	704	59
Greater than five years	2,758	2,757
Unrestricted Group total borrowings	**3,630**	**2,927**
Total borrowings	**9,830**	**8,832**
Deferred debt issue costs and bond discounts/bond premium	(95)	(123)
Net Borrowings	**9,735**	**8,709**

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

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

	2022 $'m	2021 $'m
Not later than one year	162	117
Later than one year and not later than five years	439	279
Later than five years	275	142
	876	**538**

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

At 31 December 2022	Borrowings $'m	Derivative financial instruments $'m	Trade and other payables $'m
Within one year or on demand	577	55	2,197
Between one and three years	1,978	24	—
Between three and five years	6,077	34	—
Greater than five years	3,059	1	—

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

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

At 31 December 2022	Carrying value Amount drawn $'m	 Deferred debt issue costs and premium $'m	 Total $'m	Fair value $'m
Loan notes	8,770	(86)	8,684	7,183
Senior Facilities	324	—	324	324
Other borrowings	55	(9)	46	55
	9,149	**(95)**	**9,054**	**7,562**

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

Financing activity

2022

On 8 June 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 31 December 2022 of $681 million (31 December 2021: $440 million), primarily reflects $332 million of new lease liabilities and foreign currency movements and $43 million of lease liabilities acquired as part of the acquisition of Consol (see Note 25 - Business Combinations), partly offset by $134 million of principal repayments, in the year ended 31 December 2022.

At 31 December 2022 the Group had $848 million available under the Global Asset Based Loan Facilities (2021: $792 million).

2021

On 12 March 2021, the Group, issued €450 million 2.000% Senior Secured Notes due 2028, $600 million 3.250% Senior Secured Notes due 2028, €500 million 3.000% Senior Notes due 2029 and $1,050 million 4.000% Senior Notes due 2029.

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

Effective interest rates

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

	2022				2021		
	USD	**EUR**	**GBP**	**ZAR**	**USD**	**EUR**	**GBP**
Restricted Group							
5.250% Senior Secured Notes due 2025	5.86 %	—	—	—	5.86 %	—	—
4.125% Senior Secured Notes due 2026	4.31 %	—	—	—	4.31 %	—	—
2.125% Senior Secured Notes due 2026 (€439 million)	—	2.33 %	—	—	—	2.33 %	—
2.125% Senior Secured Notes due 2026 (€790 million)	—	3.28 %	—	—	—	3.28 %	—
4.750% Senior Notes due 2027	—	—	4.99 %	—	—	—	4.99 %
5.250% Senior Notes due 2027 ($800 million)	5.50 %	—	—	—	5.50 %	—	—
5.250% Senior Notes due 2027 ($1000 million)	6.42 %	—	—		6.42 %	—	—
JIBAR + 2.60% Senior Term Facilities A&B due 2023	—	—	—	9.86 %	—	—	—
JIBAR + 2.65% Senior Facility C due 2023	—	—	—	9.91 %	—	—	—
Unrestricted Group							
2.000% Senior Secured Green Notes due 2028	—	2.27 %	—	—	—	2.30 %	—
3.250% Senior Secured Green Notes due 2028	3.52 %	—	—	—	3.58 %	—	—
6.000% Senior Secured Green Notes due 2027	6.70 %						
3.000% Senior Green Notes due 2029		3.25 %	—	—	—	3.28 %	—
4.000% Senior Green Notes due 2029	4.26 %	—	—	—	4.31 %	—	—
				Various Currencies			
Lease obligations		5.38 %				4.79 %	

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

	At 31 December	
	2022	**2021**
	$'m	**$'m**
Euro	2,393	2,528
U.S. dollar	6,384	5,550
British pound	537	593
South African rand	371	—
Other	50	38
	9,735	**8,709**

The Group has the following undrawn borrowing facilities:

	Year end 31 December	
	2022	**2021**
	$'m	**$'m**
Expiring within one year	82	468
Expiring beyond one year	848	325
	930	**793**

Fair value methodology

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

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

Fair values are calculated as follows:

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

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

(v) Private and Public Warrants - the fair value of the Private Warrants is based on a valuation technique using an unobservable volatility assumption which represents a Level 3 input, whereas the fair value of the Public Warrants is based on an observable market price and represents Level 1 input.

Derivative financial instruments

	Assets	Liabilities	Total
	Fair values $'m	Fair values $'m	Contractual or notional amounts $'m
Fair value derivatives			
Commodity forward contracts	44	66	719
Cross currency interest rate swaps	7	15	702
Forward foreign exchange contracts	18	33	1,563
At 31 December 2022	**69**	**114**	**2,984**

	Assets	Liabilities	Total
	Fair values $'m	Fair values $'m	Contractual or notional amounts $'m
Fair value derivatives			
Commodity forward contracts	102	2	296
Cross currency interest rate swaps	5	3	715
Forward foreign exchange contracts	14	13	2,917
At 31 December 2021	**121**	**18**	**3,928**

Derivative instruments with a fair value of $15 million (2021: $12 million) are classified as non-current assets and $54 million (2021: $109 million) as current assets in the consolidated statement of financial position at 31 December 2022. Derivative instruments with a fair value of $59 million (2021: $4 million) are classified as non-current liabilities and $55 million (2021: $14 million) as current liabilities in the consolidated statement of financial position at 31 December 2022.

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

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

Cross currency interest rate swaps

2022

The Group hedges certain of its external borrowings and interest payable thereon using CCIRS, with a net liability position at 31 December 2022 of $8 million (31 December 2021: $2 million net asset).

During the year ended 31 December 2022, the Group re-struck $500 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 $53 million, including interest of $2 million.

2021

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

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

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

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

Net investment hedge in foreign operations

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

Hedges of net investments in foreign operations are accounted for whereby any gain or loss on the hedging instruments relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to an ineffective portion is recognised immediately in the consolidated income statement within finance income or expense respectively. Gains and losses accumulated in other comprehensive income are recycled to the consolidated income statement when the foreign operation is disposed of. A loss of $54 million (2021: $51 million) was recognised in relation to net investments in the consolidated statement of comprehensive income. The amount that has been recognised in the consolidated income statement due to ineffectiveness is $1 million (2021: $1 million).

Commodity forward contracts

The Group hedges a portion of its anticipated metal and energy purchases. Excluding conversion and freight costs, the physical metal and energy deliveries are priced based on the applicable indices agreed with the suppliers for the relevant month. Certain forward contracts are designated as cash flow hedges and the Group has determined the existence of an economic relationship between the hedged item and the hedging instrument based on common indices used. Ineffectiveness may arise if there are changes in the forecasted transaction in terms pricing, timing or quantities, or if there are changes in the credit risk of the Group or the counterparty. The Group applies a hedge ratio of 1:1.
Fair values have been based on quoted market prices and are valued using Level 2 valuation inputs. The fair value of these contracts when initiated is $nil; no premium is paid or received.

Forward foreign exchange contracts

The Group operates in a number of currencies and, accordingly, hedges a portion of its currency transaction risk. Certain forward contracts are designated as cash flow hedges and are set so to closely match the critical terms of the underlying cash flows. In hedges of forecasted foreign currency sales and purchases ineffectiveness may arise for similar reasons as outlined for metal forward contracts.

The fair values are based on Level 2 valuation techniques and observable inputs including the contract prices. The fair value of these contracts when initiated is $nil; no premium is paid or received.

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

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 $10 million was recognised in the year ended 31 December 2022 (2021: gain of $14 million) and has been reflected within operating activities in the audited consolidated statement of cash flows.

20. Employee benefit obligations

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

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

The contribution rates to the funded plans are agreed with the Trustee boards, plan actuaries and the local pension regulators periodically. The contributions paid in 2022 were those recommended by the actuaries.

During the year ended 31 December 2022, the assets and liabilities attributable to the employees and former employees (and their respective beneficiaries) of Ardagh Metal Beverage USA Inc. were spun out of the Ardagh North America Retirement Income Plan which was previously co-sponsored with Ardagh Glass Packaging North America into a new scheme, the Ardagh Metal Pension Plan. This crystallised a cash outflow of $27 million, which included $12 million paid to AGSA (which eliminated on consolidation) in respect of the assets transferred.

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

Total employee benefit obligations, net of employee benefit assets included within non-current assets, recognised in the consolidated statement of financial position of $334 million (2021: $559 million) includes other employee benefit obligations of $79 million (2021: $100 million).

The amounts recognised in the consolidated income statement are:

	Year ended 31 December	
	2022	**2021**
	$'m	**$'m**
Current service cost and administration costs:		
Cost of sales - current service cost (Note 7)	(26)	(28)
Cost of sales - past service credit (Note 7)	—	19
SGA - current service cost (Note 7)	(3)	(3)
	(29)	**(12)**
Finance expense (Note 5)	(9)	(11)
	(38)	**(23)**

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

	Year ended 31 December	
	2022 $'m	2021 $'m
Re-measurement of defined benefit obligation:		
Actuarial gain arising from changes in demographic assumptions	—	11
Actuarial gain arising from changes in financial assumptions	644	67
Actuarial (loss)/gain arising from changes in experience	(44)	11
	600	**89**
Re-measurement of plan assets:		
Actual return less expected return on plan assets	(439)	108
Actuarial gain for the year on defined benefit pension schemes	**161**	**197**
Actuarial gain on other long term and end of service employee benefits	25	14
	186	**211**

The actual return on plan assets was a loss of $400 million in 2022 (2021: $140 million gain).

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

	U.S.		Germany		U.K.*		Other		Total	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m	2022 $'m	2021 $'m	2022 $'m	2021 $'m	2022 $'m	2021 $'m
Obligations	(989)	(1,330)	(122)	(182)	(446)	(782)	(23)	(28)	**(1,580)**	**(2,322)**
Assets	951	1,179	—	—	360	672	14	12	**1,325**	**1,863**
Net obligations	**(38)**	**(151)**	**(122)**	**(182)**	**(86)**	**(110)**	**(9)**	**(16)**	**(255)**	**(459)**

*The net employee benefit asset in the U.K. metal packaging scheme as at 31 December 2022 is included within non-current assets on the statement of financial position (2021: included in non-current asset on the statement of financial position).

Movement in the defined benefit obligations and assets:

	At 31 December			
	Obligations		Assets	
	2022 $'m	2021 $'m	2022 $'m	2021 $'m
At 1 January	(2,322)	(2,518)	1,863	1,824
Interest income	—	—	38	32
Current service cost	(24)	(26)	—	—
Past service credit - net	—	19	—	—
Interest cost	(45)	(41)	—	—
Administration expenses paid from plan assets	—	—	(1)	(1)
Re-measurements	600	89	(439)	108
Obligations/(assets) extinguished on reclassification	—	1	—	(1)
Employer contributions	—	—	48	34
Employee contributions	(1)	(1)	1	1
Benefits paid	113	125	(113)	(125)
Exchange	99	30	(72)	(9)
At 31 December	**(1,580)**	**(2,322)**	**1,325**	**1,863**

The defined benefit obligations above include $125 million (2021: $189 million) of unfunded obligations. Interest income and interest cost above does not include net interest cost of $3 million (2021: $2 million) relating to other employee benefit obligations. Current service costs above do not include current service costs of $6 million (2021: $5 million) relating to other employee benefit obligations.

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

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

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

Plan assets comprise:

	At 31 December			
	2022 **$'m**	**2022** **%**	**2021** **$'m**	**2021** **%**
Equities / multi strategy	810	61	1,140	61
Target return funds	132	10	255	14
Bonds	166	13	225	13
Cash/other	217	16	243	12
	1,325	**100**	**1,863**	**100**

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

Investment strategy

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

Characteristics and associated risks

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

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

Effective as of the end of the day on 31 December 2021, assets and liabilities for employees and former employees of Ardagh Metal Packaging Americas were transferred to a new plan, the Ardagh Metal Defined Benefit Plan. The Ardagh Metal Packaging Americas Plan sponsors a defined benefit pension plan as a single employer scheme which is subject to Federal law ("ERISA"), reflecting regulations issued by the Internal Revenue Service ("IRS") and the U.S. Department of Labor. The Ardagh Metal Packaging Americas Plan covers hourly employees only. Plan benefits are determined using a formula which reflects the employees' years of service and is based on a final average pay formula.

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

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

Assumptions and sensitivities

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

	U.S.		Germany		U.K.	
	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
Rates of inflation	2.50	2.20	2.00	1.70	3.01	3.20
Rates of increase in salaries	3.00	3.00	3.40	2.50	2.58	2.75
Discount rates	5.52-5.58	2.90 - 3.04	3.66-3.89	0.91 - 1.18	5.00	1.90

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

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

	U.S.		Germany		U.K.	
	2022 Years	2021 Years	2022 Years	2021 Years	2022 Years	2021 Years
Life expectancy, current pensioners	22	22	22	22	22	22
Life expectancy, future pensioners	23	23	25	25	23	23

If the discount rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would increase by an estimated $89 million (2021: $176 million). If the discount rate were to increase by 50 basis points, the carrying amount of the pension obligations would decrease by an estimated $84 million (2021: $157 million).

If the inflation rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated $26 million (2021: $46 million). If the inflation rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated $26 million (2021: $50 million).

If the salary increase rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated $28 million (2021: $51 million). If the salary increase rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated $26 million (2021: $56 million).

The impact of increasing the life expectancy by one year would result in an increase in the Group's liability of $40 million at 31 December 2022 (2021: $74 million), holding all other assumptions constant.

The Group's best estimate of contributions expected to be paid to defined benefit plans in 2023 is $31 million (2022: $27 million).

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

Nature of the schemes	Ardagh Metal Packaging Europe U.K.* Funded	Ardagh Metal Packaging Europe Germany Unfunded	Ardagh Metal Packaging North America Funded	Ardagh Glass Packaging Europe U.K.* Funded	Ardagh Glass Packaging Europe Germany Unfunded	Ardagh Glass Packaging North America Funded
2022						
Active members	—	766	763	—	808	1,302
Deferred members	589	225	91	1,092	673	2,274
Pensioners including dependents	531	173	104	885	756	6,750
Weighted average duration (years)	14	15	16	15	10	9
2021						
Active members	—	816	808	—	863	1,457
Deferred members	589	202	75	1,056	674	2,409
Pensioners including dependents	531	154	83	885	780	6,724
Weighted average duration (years)	18	19	20	20	14	12

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

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

	2023 $'m	2024 $'m	2025 $'m	2026 $'m	2027 $'m	Subsequent five years $'m
Benefits	118	115	116	117	119	597

The Group also has defined contribution plans; the contribution expense associated with these plans for 2022 was $52 million (2021: $51 million). The Group’s best estimate of the contributions expected to be paid to these plans in 2023 is $55 million (2022: $52 million).

Other employee benefits

	At 31 December 2022 $'m	At 31 December 2021 $'m
End of service employee benefits	2	2
Post-employment benefits	77	98
	79	**100**

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

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

21. Provisions and other liabilities

	At 31 December 2022 $'m	At 31 December 2021 $'m
Provisions		
Current	72	46
Non-current	101	57
Other liabilities		
Non-current	7	33
	180	**136**

Provisions

	Restructuring $'m	Other provisions $'m	Total provisions $'m
At 1 January 2021	**4**	**101**	**105**
Acquisition	—	17	17
Provided	1	38	39
Released	(4)	(16)	(20)
Paid	—	(36)	(36)
Exchange	—	(2)	(2)
At 31 December 2021	**1**	**102**	**103**
Acquisition	—	80	80
Provided	4	46	50
Released	—	(16)	(16)
Paid	(4)	(36)	(40)
Exchange	—	(4)	(4)
At 31 December 2022	**1**	**172**	**173**

The restructuring provision relates to redundancy and other restructuring costs. Other provisions relate to probable environmental claims, customer quality claims, tax deferrals arising from the CARES Act., and specifically in Ardagh Glass Packaging North America, workers' compensation provisions. In addition to the aforementioned, provisions also include non-current amounts in respect of annual, long-term (three-year), cash bonus incentive programs for senior management of the Group, of approximately $23 million.

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

Other Liabilities

On 4 August 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 4 August 2021. In accordance with IAS 32, those warrants have been recognised 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 a key data input for the risk-free rate (4%), with estimates for volatility (50%) (31 December 2021: volatility 34%) and dividend yield. All other outstanding warrants ("Public Warrants") were valued using the traded closing prices of the AMP warrants. The estimated valuations of the liability at 31 December 2022, and 31 December 2021, were $7 million and $33 million, respectively. Changes in the valuation of the Public and Private Warrants of $26 million have been reflected as exceptional finance income within net finance income for the year ended 31 December 2022 (31 December 2021: $8 million). Any increase or decrease in volatility of 5% would result in an increase or decrease in the fair value of the Private Warrants at 31 December 2022, of approximately $1 million (31 December 2021: $1 million).

22. Trade and other payables

	At 31 December 2022 $'m	2021 $'m
Trade payables	1,826	1,607
Other payables and accruals	322	362
Other tax and social security payable	111	114
Payables and accruals for exceptional items	49	105
	2,308	**2,188**

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

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

Trade Payables Processing

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

23. Cash generated from operating activities

	Year ended 31 December 2022 $'m	2021 $'m
Loss from operations	**(290)**	**(766)**
Income tax charge/(credit)	46	(18)
Net finance expense	328	377
Depreciation and amortisation	809	746
Exceptional operating items	378	851
Share of post-tax (gain)/loss in equity accounted joint venture	(7)	55
Movement in working capital	(298)	(86)
Transaction-related, start-up and other exceptional costs paid	(126)	(200)
Cash generated from operations	**840**	**959**

24. Non- controlling interests

As a result of the completion of the Business Combination and the completion of the exchange offer in 2021, non-controlling interests represent 23.96% of the total equity in the Group's subsidiary AMP as at 31 December 2022 (31 December 2021: 24.7%). The total equity attributable to non-controlling interests at 31 December 2022 is $30 million (31 December 2021: $44 million). Dividends of $58 million have been paid to non-controlling interests during the year ended 31 December 2022.

Summarised financial information, as of the date these consolidated financial statements were authorised for issue, for AMP for the year ended and as at 31 December 2022 is set out below:

	Year ended 31 December 2022 $'m	2021 $'m
Revenue	4,689	4,055
Expenses	(4,513)	(4,008)
Operating profit	**176**	**47**
Net finance expense	80	(235)
Profit/(Loss) before tax	**256**	**(188)**
Income tax expense	(19)	(22)
Profit/(Loss) after tax	**237**	**(210)**

(i) The income statement for the year ended 31 December 2022 includes exceptional income of $145 million, in accordance with Ardagh accounting policy, of which $218 million is in respect of exceptional finance income relating to a gain on movements in the fair market values on the earnout shares, public warrants and private warrants. Also included is $138 million of non-exceptional interest expense and $359 million of depreciation and amortisation.

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

	At 31 December	
	2022	2021
	$'m	$'m
Non-current assets	3,957	3,664
Current assets (iii)	1,908	1,661
Total assets	**5,865**	**5,325**
Total equity	**455**	**286**
Non-current liabilities (iv)	3,946	3,639
Current liabilities (v)	1,464	1,400
Total liabilities	**5,410**	**5,039**
Total equity and liabilities	**5,865**	**5,325**

(iii) Includes cash and cash equivalents of $0.6 billion (2021: $0.5 billion).

(iv) Includes non-current financial liabilities (excluding other payables and provisions) of $3.9 billion (2021: $3.3 billion).

(v) Includes current financial liabilities (excluding trade and other payables and provisions) of $0.2 billion (2021: $0.1 billion).

As at 31 December 2022, AMP had net debt of $3 billion (2021: $2.4 billion).

In 2022, AMP repurchased a total of 5,768,638 shares (31 December 2021: nil shares) returning $35 million to its shareholders. The repurchased shares have been cancelled as of 31 December 2022.

On 8 July 2022, AMP issued 56,306,306 non-convertible, non-voting 9% preferred shares of nominal value of €4.44 per share to a wholly-owned subsidiary of AGSA resulting in $3 million transaction costs as of 31 December 2022.

The effect on the equity attributable to the owners of AMP in 2021 as a result of the Business Combination is summarised as follows:

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

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

The effect on the equity of the cancellation of tendered shares as a result of the exchange offer is summarised as follows:

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

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

Upon the completion of the Business Combination and the exchange offer, a historical cumulative loss of $5 million in the foreign currency translation reserve was re-attributed to the new non-controlling interest.

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

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

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

	Shares	$'m
Class A stockholders	30,175,827	
Class F stockholders	9,843,750	
Total shares to be issued to Gores Holdings V stockholders	**40,019,577**	
Market value per share at the Closing Date	$10.59	
Fair value of shares to be issued to Gores Holdings V in consideration for combination		**424**
Net assets of Gores Holdings V at Closing Date (including fair value of assumed Public and Private Warrants)		219
Difference – being IFRS 2 charge for listing services		**205**

The cost for the listing service of $205 million was presented as an exceptional item, with an offset in other reserves of $164 million and in provisions and other liabilities of $41 million, respectively.

25. Business combinations

On 29 April 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 Transaction is accounted for as a business combination and the Company allocated $402 million of the purchase price to the fair value of the acquired customer relationship intangible asset. The Company applied the acquisition accounting principles in IFRS 3 to determine the fair value of the assets and liabilities acquired in Consol acquisition. Management's key assumptions in determining the fair value of the acquired customer relationship intangible asset included revenue growth rates, EBITDA margins, customer attrition rate and discount rate.

The following table summarises 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	420
Intangible assets	402
Net working capital*	60
Income tax payable	(26)
Net deferred tax liability	(130)
Borrowings**	(434)
Share-based payment reserve	(4)
Employee benefit obligations	(5)
Total identifiable net assets	**323**
Goodwill	340
Total consideration	**663**

*Net working capital includes trade receivables of $102 million.

**Borrowings includes lease obligations of $43 million.

A purchase price allocation exercise is on-going 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 summarised 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 eight months ended 31 December 2022, Consol contributed revenue and Adjusted EBITDA of $496 million and $161 million respectively. If the acquisition of the business had occurred on 1 January 2022, Group revenue and Adjusted EBITDA would have been $9,229 million and $1,314 million.

26. Dividends

	Year ended 31 December	
	2022	2021
	$'m	$'m
Cash dividends on common shares declared 2021, paid 2022		
Special cash dividend: $3.52 per share	(777)	—
Cash dividends on ordinary shares declared and paid by AMP:		
Interim dividend to NCI: $0.10 per share	(15)	—
Interim dividend to NCI: $0.10 per share	(15)	—
Interim dividend to NCI: $0.10 per share	(14)	—
Interim dividend to NCI: $0.10 per share	(14)	—
Cash dividends on common shares declared and paid:		
Interim dividend: $0.15 per share	—	(35)
Interim dividend: $0.15 per share	—	(36)
Interim dividend: $0.15 per share	—	(35)
Special cash dividend: $1.25 per share	—	(296)
	(835)	**(402)**

On December 15 2021, the Board declared a special cash dividend of $3.52 per common share, paid on 7 January 2022 to shareholders of record on 27 December 2021. This dividend of $777 million is disclosed in the 2021 consolidated statement of changes in equity.

On 26 April 2022, the board of directors of AMP (the "AMP Board") approved an interim dividend of $0.10 per ordinary share. The interim dividend of $60 million was paid on 28 June 2022 to shareholders of record on 14 June 2022.

On 27 May 2022, the AMP Board approved an interim dividend of $0.10 per ordinary share. The interim dividend of $61 million was paid on 28 June 2022 to shareholders of record on 14 June 2022.

On 29 September 2022, the AMP Board approved an interim dividend of $0.10 per ordinary share. The interim dividend of $59 million was paid on 27 October 2022 to shareholders of record on 13 October 2022.

On 25 October 2022, the AMP Board approved an interim dividend of $0.10 per ordinary share. The interim dividend of $60 million was paid on 28 November 2022 to shareholders of record on 14 November 2022.

The 2022 dividends approved and paid by AMP resulted in a cash outflow of $58 million from the Group to non-controlling interests for the year ended 31 December 2022.

27. Related party transactions and information

(i) Interests of Paul Coulson

At the date of this report, ARD Holdings S.A., the ultimate parent company of the Company is controlled by Paul Coulson, our Chairman, who controls ARD Holdings S.A. as a result of his 18.83% stake in ARD Holdings S.A. and his 52.42% stake in Yeoman Capital S.A., which in turn owns 33.88% of the equity interests in ARD Holdings S.A.

(ii) Common directorships

With the exception of Abigail Blunt, Oliver Graham, The Rt. Hon. the Lord Hammond of Runnymede, Damien O'Brien and Edward White, all of the directors of Ardagh Group S.A. are members of the board of directors of ARD Holdings S.A. Four of the ARD Holdings S.A. directors (Paul Coulson, Brendan Dowling, Gerald Moloney and Hermanus Troskie) also serve as directors in the Yeoman group of companies.

(iii) Yeoman Capital S.A.

At 31 December 2022, Yeoman Capital S.A. owned 33.88% of the ordinary shares of ARD Holdings S.A..

(iv) Joint ventures

The Group's interests held in joint ventures are related parties and these are set out in further detail in Notes 10 – Other non-current assets and 11 – Investment in equity accounted joint venture. Transactions with joint ventures were not material for any of the years presented.

For the year ended 31 December 2022, a subsidiary of AMP completed the purchase of land from a subsidiary of Trivium for a total consideration of approximately $3 million and completed other non-material transactions, including but not limited to, the sale of spare parts to and receipt of cutting and printing services from Trivium subsidiaries.

(v) Key management compensation

Key management are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group. Key management is comprised of the members who served on the Board and the Group's executive leadership team during the reporting period. The amount outstanding at year end was $nil (2021: $8 million).

	Year ended 31 December	
	2022	**2021**
	$'m	**$'m**
Salaries and other short-term employee benefits	11	20
Post-employment benefits	1	1
	12	**21**
Transaction related and other compensation	3	101
	15	**122**

(vi) Pension schemes

The Group's pension schemes are related parties. For details of all transactions during the year, please see Note 20 – Employee benefit obligations.

(vii) Related party balances

At 31 December 2022, the Group had a related party loan receivable balance of $72 million, inclusive of $1 million of interest receivable with ARD Finance S.A. (2021: $23 million). With the exception of this, and the balances outlined in (i) to (vi) above, there were no material balances outstanding with related parties at 31 December 2022.

(viii) Other related party transactions

During the year ended 31 December 2022, the Company and its subsidiaries entered into transactions relating to non-material, non-employee director and office rental fees with certain members of the Maitland International Holdings and Stonehage Fleming groups of companies. Hermanus Troskie is a director of the Company and during the year ended 31 December 2022, he was employed for one month by the Maitland International Holdings group of companies and for the remainder of the reporting period by the Stonehage Fleming group of companies.

(ix) Toggle Notes

In November 2019, ARD Finance S.A. issued (i) $1,130 million aggregate principal amount of 6.500% / 7.250% Senior Secured Toggle Notes due 2027 (the "Dollar Toggle Notes"), and (ii) €1,000 million aggregate principal amount of 5.000% / 5.750% Senior Secured Toggle Notes due 2027 (the "Euro Toggle Notes", and together with the Dollar Toggle Notes, the "Toggle Notes"). Certain directors of the Company have acquired and hold certain of the Toggle Notes.

(x) Subsidiaries

The following table provides information relating to our principal operating subsidiaries at 31 December 2022.

Company	Country of incorporation	Activity
Ardagh Metal Packaging Manufacturing Austria GmbH	Austria	Metal Packaging
Ardagh Metal Packaging Trading Austria GmbH	Austria	Metal Packaging
Ardagh Metal Packaging Brasil Ltda	Brazil	Metal Packaging
Ardagh Indústria de Embalagens de Metálicas do Brasil Ltda.	Brazil	Metal Packaging
Ardagh Glass Holmegaard A/S	Denmark	Glass Packaging
Juniper Glass Industries Share Company	Ethiopia	Glass Packaging
Ardagh Metal Packaging Trading France SAS	France	Metal Packaging
Ardagh Metal Packaging France SAS	France	Metal Packaging
Ardagh Glass GmbH	Germany	Glass Packaging
Heye International GmbH	Germany	Glass Engineering
Ardagh Metal Packaging Trading Germany GmbH	Germany	Metal Packaging
Ardagh Metal Packaging Germany GmbH	Germany	Metal Packaging
Ardagh Glass Sales Limited	Ireland	Glass Packaging
Ardagh Glass Italy S.r.l.	Italy	Glass Packaging
Ardagh Glass Packaging Kenya Limited	Kenya	Glass Packaging
Ardagh Glass Dongen B.V.	Netherlands	Glass Packaging
Ardagh Glass Moerdijk B.V.	Netherlands	Glass Packaging
Ardagh Metal Packaging Trading Netherlands B.V.	Netherlands	Metal Packaging
Ardagh Metal Packaging Netherlands B.V.	Netherlands	Metal Packaging
Ardagh Glass Packaging Nigeria Limited	Nigeria	Glass Packaging
Ardagh Glass S.A.	Poland	Glass Packaging
Ardagh Metal Packaging Trading Poland Sp. z o.o	Poland	Metal Packaging
Ardagh Metal Packaging Poland Sp. z o.o	Poland	Metal Packaging
Ardagh Glass Packaging South Africa (Pty) Limited	South Africa	Glass Packaging
Ardagh Metal Packaging Trading Spain SL	Spain	Metal Packaging
Ardagh Metal Packaging Spain SL	Spain	Metal Packaging
Ardagh Glass Limmared AB	Sweden	Glass Packaging
Ardagh Metal Packaging Europe GmbH	Switzerland	Metal Packaging
Ardagh Glass Limited	United Kingdom	Glass Packaging
Ardagh Metal Packaging Trading U.K. Limited	United Kingdom	Metal Packaging
Ardagh Metal Packaging U.K. Limited	United Kingdom	Metal Packaging
Ardagh Metal Packaging USA Corp..	United States	Metal Packaging
Ardagh Glass Inc.	United States	Glass Packaging
Ardagh Glass Packaging Inc.	United States	Glass Packaging

28. Principal Accountant Audit Fees and Services

PricewaterhouseCoopers have acted as our principal accountants for the years ended 31 December 2021 and 31 December 2022.

The following table summarises the total amounts for professional fees rendered in those periods:

	Year ended 31 December	
	2022	2021
	$'m	
Audit services fees	9	8
Audit-related services fees	1	6
Tax services fees	—	1
Total	**10**	**15**

29. 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. Finally, the Group believes that the potential impact of climate change on the Group has not resulted in a contingent obligation as of 31 December 2022.

Legal matters

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

30. Events after the reporting period

In February 2023, AMP completed the acquisition of a majority share in NOMOQ AG ("NOMOQ"), a start-up digital can printer based in Switzerland, for an initial consideration of €15 million, with a further €10 million payable in 2024, subject to NOMOQ achieving certain milestones.

On 21 February 2023, the AMP Board approved an interim dividend of $0.10 per ordinary share. The interim dividend will be paid on 28 March 2023 to the shareholders of record of AMP on 14 March 2023.

The refinancing of the South African debt facilities was completed on 20 February 2023, with some customary conditions precedent to be completed post-closing. This extended the maturity of the current debt facilities from 2023 to 2028 and increased the maximum amount drawable under the facilities by ZAR 2.9 billion ($160 million), from ZAR 6.3 billion to ZAR 9.2 billion.

On 28 March 2023, the Brazilian beverages company, Grupo Petrópolis, which is a customer of AMPSA, filed for a court-supervised reorganisation. The Group has assessed the impact of the Grupo Petrópolis re-organisation and concluded there is no impact on the statement of financial position as at 31 December 2022.

31. Filing Requirements

The Company has guaranteed certain liabilities of a number of its subsidiaries for the year ended 31 December 2022 including guarantees under Section 357 of the Irish Companies Act, 2014, and Section 264 of the German Commercial Code, as listed below. Furthermore, the Company has assumed joined and several liability in accordance with Section 403, Book 2 of the Dutch Civil Code for the liabilities of a number of its Dutch subsidiaries, as listed below.

Section 357 Exemption – Irish Company Law Requirement

The Irish subsidiary undertakings of Ardagh Group S.A. listed below, which are included in these consolidated financial statements, have availed of an exemption from filing their individual financial statements with the Irish Registrar of Companies as permitted by Section 357 of the Irish Companies Act, 2014 on the basis that they have satisfied the conditions as laid out in Sections 357 (a) to (h) of that Act.

Ardagh Packaging Group Unlimited Company
Ardagh Packaging Group Holdings Unlimited Company
Ardagh Packaging Dublin Finance Limited
Ardagh Packaging Ireland Holdings Limited
Ardagh Glass Sales Limited
Ardagh Glass Dublin Limited
Ardagh Packaging Finance Ireland Limited
Ardagh Packaging Finance Plc
Ardagh Glass Finance Plc
Ardagh Receivables Finance DAC
Ardagh Corporate Management Limited
Ardagh Packaging Services Limited
Ardagh Treasury Limited
Ardagh Glass Dublin Finance Limited
Ardagh Metal Holdings Limited
Ardagh Metal Beverage Finance Ireland Limited
Ardagh Packaging International Services Limited

Section 264 Exemption – German Commercial Code Requirement

The German subsidiary undertakings of Ardagh Group S.A. listed below, which are included in these consolidated financial statements, have availed of an exemption from filing their individual financial statements with the German Registrar of Companies as permitted by Section 264 paragraph 3 and 291 of the German Commercial Code, on the basis that they have satisfied the conditions as laid out in Section 264 Paragraph 3 Item 1.-5. and 291 of that Code.

Ardagh Group Germany GmbH
Ardagh Glass GmbH
Heye International GmbH
Heye Beteiligungs GmbH & Co. KG

Section 403 Exemption – Dutch Civil Code Requirement

The Company has issued a declaration of joint and several liability as referred to in section 403, book 2 of the Dutch Civil Code in respect of a number of its consolidated participations. This provides an exemption for those entities from filing their individual financial statements. The declaration concerns:

Ardagh Glass Moerdijk B.V.
Ardagh Glass Dongen B.V.