TRIVIUM
PACKAGING

Interim Report to Bondholders

For the three and nine months ended
September 30, 2020

INDEX TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Trivium Packaging B.V.

As used herein, “Trivium” or the “Company” refer to Trivium Packaging B.V. and “we”, “our”, “us”, “Trivium” and the “Group” refer to Trivium and its consolidated subsidiaries, unless the context requires otherwise.

TRIVIUM PACKAGING B.V.
CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Unaudited Three months ended September 30, 2020 Before exceptional items $'m	Exceptional items $'m Note 5	Total $'m	Unaudited Period ended September 30, 2019 (i) Before exceptional items $'m	Exceptional items $'m Note 5	Total $'m
Revenue	4	757	—	757	—	—	—
Cost of sales		(618)	(3)	(621)	—	—	—
Gross profit		**139**	**(3)**	**136**	**—**	**—**	**—**
Sales, general and administration expenses		(44)	(9)	(53)	—	(2)	(2)
Intangible amortization		(38)	—	(38)	—	—	—
Operating profit/(loss)		**57**	**(12)**	**45**	**—**	**(2)**	**(2)**
Net finance expense	6	(27)	1	(26)	—	(9)	(9)
Profit/(loss) before tax		**30**	**(11)**	**19**	**—**	**(11)**	**(11)**
Income tax (charge)/credit		(22)	2	(20)	—	—	—
Profit/(loss) for the period		**8**	**(9)**	**(1)**	**—**	**(11)**	**(11)**

(i) The period ended September 30, 2019 commenced on July 8, 2019, the date on which Trivium Packaging B.V. was incorporated in the Netherlands. Please refer to Note 1 for further details.

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

TRIVIUM PACKAGING B.V.
CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Unaudited Nine months ended September 30, 2020			Unaudited Period ended September 30, 2019 [(i)]		
		Before exceptional items $'m	**Exceptional items $'m**	**Total $'m**	**Before exceptional items $'m**	**Exceptional items $'m**	**Total $'m**
			Note 5			**Note 5**	
Revenue	4	2,024	—	2,024	—	—	—
Cost of sales		(1,656)	(16)	(1,672)	—	—	—
Gross profit		**368**	**(16)**	**352**	**—**	**—**	**—**
Sales, general and administration expenses		(129)	(23)	(152)	—	(2)	(2)
Intangible amortization	7	(114)	—	(114)	—	—	—
Operating profit/(loss)		**125**	**(39)**	**86**	**—**	**(2)**	**(2)**
Net finance expense	6	(110)	3	(107)	—	(9)	(9)
Profit/(loss) before tax		**15**	**(36)**	**(21)**	**—**	**(11)**	**(11)**
Income tax (charge)/credit		(27)	8	(19)	—	—	—
Loss for the period		**(12)**	**(28)**	**(40)**	**—**	**(11)**	**(11)**

(i) The period ended September 30, 2019 commenced on July 8, 2019, the date on which Trivium Packaging B.V. was incorporated. Please refer to Note 1 for further details.

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

TRIVIUM PACKAGING B.V.
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

		Unaudited			
		Three months ended September 30,	Period ended September 30,	Nine months ended September 30,	Period ended September 30,
		2020	2019 (i)	2020	2019 (i)
	Note	$'m	$'m	$'m	$'m
Loss for the period		**(1)**	**(11)**	**(40)**	**(11)**
Other comprehensive income:					
Items that may subsequently be reclassified to income statement					
Foreign currency translation adjustments:					
—Arising in the period		15	—	7	—
		15	**—**	**7**	**—**
Effective portion of changes in fair value of cash flow hedges:					
—New fair value adjustments into reserve		(44)	10	(4)	10
—Movement out of reserve to income statement		32	(10)	30	(10)
—Movement in deferred tax		(1)	—	—	—
		(13)	**—**	**26**	**—**
Gain recognized on cost of hedging:					
—New fair value adjustments into reserve		5	1	1	1
—Movement in deferred tax		—	—	1	—
		5	**1**	**2**	**1**
Items that will not be reclassified to income statement					
—Re-measurement of employee benefit obligations	10	(5)	—	(8)	—
—Deferred tax movement on employee benefit obligations		2	—	2	—
		(3)	**—**	**(6)**	**—**
Total other comprehensive income for the period		**4**	**1**	**29**	**1**
Total comprehensive income/(expense) for the period		**3**	**(10)**	**(11)**	**(10)**

(i) The period ended September 30, 2019 commenced on July 8, 2019, the date on which Trivium Packaging B.V. was incorporated. Please refer to Note 1 for further details.

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

TRIVIUM PACKAGING B.V.
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Unaudited At September 30, 2020 $'m	Unaudited Re-presented (i) At December 31, 2019 $'m
Non-current assets			
Intangible assets	7	3,426	3,426
Property, plant and equipment	7	977	971
Deferred tax assets		107	103
Other non-current assets		6	3
		4,516	**4,503**
Current assets			
Inventories		385	377
Trade and other receivables		380	316
Derivative financial instruments		9	—
Contract assets		36	31
Cash and cash equivalents		137	157
		947	**881**
Asset held for sale	7	5	—
TOTAL ASSETS		**5,468**	**5,384**
Equity			
Issued capital	8	44	44
Share premium		930	930
Other reserves		52	12
Retained earnings		(166)	(120)
TOTAL EQUITY		**860**	**866**
Non-current liabilities			
Borrowings	9	2,939	2,887
Employee benefit obligations	10	337	345
Derivative financial instruments		5	8
Deferred tax liabilities		456	458
Provisions		22	22
Deferred income		20	20
		3,779	**3,740**
Current liabilities			
Borrowings	9	85	93
Interest payable		19	8
Employee benefit obligations	10	20	—
Derivative financial instruments		2	1
Trade and other payables		647	637
Income tax payable		33	16
Provisions		20	23
Deferred income		3	—
		829	**778**
TOTAL LIABILITIES		**4,608**	**4,518**
TOTAL EQUITY and LIABILITIES		**5,468**	**5,384**

(i) The Statement of Financial Position at December 31, 2019 has been re-presented to reflect revised fair values of the net assets acquired as part of the Food & Specialty business of Ardagh and Exal business acquisition. Please refer to Note 3 for further details.

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

TRIVIUM PACKAGING

TRIVIUM PACKAGING B.V.
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Unaudited, re-presented (i)						
	Attributable to the owner of the parent						
	Share capital $'m Note 8	Share premium $'m	Foreign currency translation reserve $'m	Cash flow hedge reserve $'m	Cost of hedging reserve $'m	Retained earnings $'m	Total equity $'m
At July 8, 2019	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Loss for the period	—	—	—	—	—	(11)	**(11)**
Other comprehensive income for the period	—	—	—	—	1	—	**1**
At September 30, 2019	**—**	**—**	**—**	**—**	**1**	**(11)**	**(10)**
At January 1, 2020	**44**	**930**	**7**	**3**	**2**	**(120)**	**866**
Loss for the period	—	—	—	—	—	(40)	**(40)**
Other comprehensive income/(expense) for the period	—	—	—	26	2	(6)	**22**
Hedging losses transferred to cost of inventory	—	—	—	5	—	—	**5**
Foreign currency translation	—	—	7	—	—	—	**7**
At September 30, 2020	**44**	**930**	**14**	**34**	**4**	**(166)**	**860**

(i) Retained earnings at January 1, 2020 have been re-presented and include a decrease of $12 million related to depreciation and amortization, net of tax, with respect to the revised fair values and useful economic lives for property, plant and equipment and intangible assets. Share premium has increased by $3 million upon the final agreement of customary completion adjustments. Please refer to Note 3 for further details.

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

TRIVIUM PACKAGING B.V.
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		Unaudited			
		Three months ended September 30,	Period ended September 30,	Nine months ended September 30,	Period ended September 30,
		2020	2019 (i)	2020	2019 (i)
	Note	$'m	$'m	$'m	$'m
Cash flows from operating activities					
Cash generated from operations	11	134	—	244	—
Income tax paid		(8)	—	(12)	—
Interest (paid)/received		(97)	4	(105)	4
Net cash from operating activities		29	4	127	4
Cash flows from investing activities					
Purchase of property, plant and equipment		(29)	—	(81)	—
Purchase of intangible assets		(3)	—	(12)	—
Proceeds from disposal of property, plant and equipment		1	—	6	—
Purchase of business, net of cash acquired		–	—	(32)	—
Net cash used in investing activities		(31)	—	(119)	—
Cash flows from financing activities					
Proceeds from borrowings	9	1	2,838	118	2,838
Repayment of borrowings		(127)	—	(132)	—
Lease payments		(5)	—	(14)	—
Debt issue costs paid		—	—	(5)	—
Net cash (outflow)/inflow from financing activities		(131)	2,838	(33)	2,838
Net (decrease)/increase in cash and cash equivalents		**(133)**	**2,842**	**(25)**	**2,842**
Cash and cash equivalents at the beginning of the period		264	—	157	—
Exchange gains/(losses) on cash and cash equivalents		6	(22)	5	(22)
Cash and cash equivalents at the end of the period		**137**	**2,820**	**137**	**2,820**

(i) The period ended September 30, 2019 commenced on July 8, 2019, the date on which Trivium Packaging B.V. was incorporated. Please refer to Note 1 for further details.

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

TRIVIUM PACKAGING

TRIVIUM PACKAGING B.V.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Trivium Packaging B.V. (the "Company") was incorporated in the Netherlands on July 8, 2019. The Company's registered office is Schiphol Boulevard 127, WTC Schiphol, Tower G, 1118 BG Schiphol, The Netherlands.

Trivium Packaging B.V. and its subsidiaries (together the "Group" or the "Trivium Group") are a leading supplier of innovative, value-added, rigid metal packaging solutions. The Group's products mainly include metal containers primarily for food and aerosols markets. End-use categories include food, nutrition, seafood, premium beverage offerings, paints & coatings, chemicals, personal care, pharmaceuticals and general household.

These unaudited consolidated interim financial statements reflect the consolidation of the legal entities forming the Group for the period presented. The period ended September 30, 2019 reflects the consolidation of the legal entities of the Trivium Group prior to the combination of the Food and Specialty business of Ardagh and the business of Exal on October 31, 2019 and therefore relates to a pre-trading period of the Trivium Group.

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

2. Statement of directors' responsibilities

The Directors are responsible for preparing the unaudited consolidated interim financial statements. The Directors are required to prepare financial information for each financial period on the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the unaudited consolidated interim financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the 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 unaudited consolidated interim financial statements. Changes to accounting policies applied in the three and nine months ended September 30, 2020 are outlined in Note 3.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website at: www.triviumpackaging.com.

The unaudited consolidated interim financial statements were approved for issue by the Supervisory Board of Trivium Packaging B.V. (the "Supervisory Board") on November 4, 2020.

3. Summary of significant accounting policies, critical accounting estimates, assumptions and judgements

Basis of preparation

The unaudited consolidated interim financial statements of the Group for the three and nine months ended September 30, 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The unaudited consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Report to Bondholders for the period ended December 31, 2019 which was prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB") and related interpretations.

The unaudited consolidated interim financial statements are presented in U.S. dollar, rounded to the nearest million.

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

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

Representation of prior year comparatives and interim results

In accordance with IFRS 3 "Business Combinations", a number of additional provisional fair value adjustments, predominantly related to property, plant and equipment, intangible assets, deferred tax and net working capital, were made in relation to the net assets acquired as part of the Food & Specialty business of Ardagh and Exal business acquisition. The measurement period in respect of the Food & Specialty business of Ardagh and Exal business acquisition during which the Group may adjust the provisional amounts recognized for the assets and liabilities acquired will close one year after the completion of the transaction. The final purchase price allocation, including the final determination of cash generating units, will be completed during Q4 2020.

Accordingly, the consolidated statement of financial position at December 31, 2019 and the consolidated statement of changes in equity for the period ended December 31, 2019 have been re-presented to reflect the revised provisional fair values. The impact on previously reported depreciation and amortization, net of tax, for the two months ended December 31, 2019 as well as the six months ended June 30, 2020, are additional charges of $12 million and $4 million, respectively. Please refer to Note 13 for details of the provisional fair value of assets acquired and liabilities assumed as part of the acquisition.

Recent accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2020 have been assessed by management and no new standards or amendments to existing standards effective after January 1, 2020 have had a material impact for the Group. Management'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 unaudited consolidated interim financial statements and disclosures is on-going.

4. Segment and revenue analysis

The Group's two operating and reportable segments are Europe and Americas. This reflects the basis on which the Group performance is reviewed by management and presented to the Chief Operating Decision Maker ("CODM").

Performance of the business is assessed based on Adjusted EBITDA. Adjusted EBITDA is the profit or loss for the period before income tax charge or credit, net finance expense, depreciation and amortization and exceptional operating items. 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 is not material.

Reconciliation of loss for the period to Adjusted EBITDA

	Three months ended September 30, 2020 $'m	Period ended September 30, 2019 [(i)] $'m	Nine months ended September 30, 2020 $'m	Period ended September 30, 2019 [(i)] $'m
Loss for the period	(1)	(11)	(40)	(11)
Income tax charge	20	—	19	—
Net finance expense (Note 6)	26	9	107	9
Depreciation and amortization (Note 7)	66	—	194	—
Exceptional operating items (Note 5)	12	2	39	2
Adjusted EBITDA	**123**	**—**	**319**	**—**

(i) The period ended September 30, 2019 commenced on July 8, 2019, the date on which Trivium Packaging B.V. was incorporated. Please refer to Note 1 for further details.

Segment results for the three months ended September 30, 2020 are:

	Europe $'m	Americas $'m	Group $'m
Revenue	541	216	**757**
Adjusted EBITDA	78	45	**123**

Segment results for the nine months ended September 30, 2020 are:

	Europe $'m	Americas $'m	Group $'m
Revenue	1,452	572	**2,024**
Adjusted EBITDA	201	118	**319**

One customer in the Americas segment accounted for greater than 10% of total revenue in the three and nine months ended September 30, 2020.

Within each reportable segment our packaging containers have similar production processes and classes of customer. Further, they have similar economic characteristics, as evidenced by similar profit margins, degrees of risk and opportunities for growth. We operate in mature markets across our reportable segments.

The following illustrates the disaggregation of revenue by destination for the three months ended September 30, 2020:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Europe	496	3	42	541
Americas	1	187	28	216
Group	**497**	**190**	**70**	**757**

The following illustrates the disaggregation of revenue by destination for the nine months ended September 30, 2020:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Europe	1,329	10	113	1,452
Americas	3	471	98	572
Group	**1,332**	**481**	**211**	**2,024**

5. Exceptional items

	Three months ended September 30, 2020	Period ended September 30, 2019 (i)	Nine months ended September 30, 2020	Period ended September 30, 2019 (i)
Restructuring and other costs	3	—	16	—
Exceptional items - cost of sales	**3**	**—**	**16**	**—**
Transaction and integration-related costs	9	2	23	2
Exceptional items - SGA expenses	**9**	**2**	**23**	**2**
Exceptional finance (income)/expense	(1)	9	(3)	9
Exceptional items - finance (income)/expense	**(1)**	**9**	**(3)**	**9**
Exceptional income tax credit	(2)	—	(8)	—
Total exceptional items, net of tax	**9**	**11**	**28**	**11**

(i) The period ended September 30, 2019 commenced on July 8, 2019, the date on which Trivium Packaging B.V. was incorporated. Please refer to Note 1 for further details.

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

2020

Exceptional items before tax of $36 million have been recognized for the nine months ended September 30, 2020, primarily comprising:

- $16 million of restructuring and other costs which includes $10 million of foreign currency losses relating to a devaluation of the Brazilian Real ($6 million) and Argentinian Peso ($4 million) versus the US Dollar, $5 million of headcount costs in the Europe segment and $1 million of cleaning costs, net of insurance recoveries received, as a result of the fire in the Roanoke plant in the Americas segment.
- $23 million of acquisition and integration costs following the formation of the Group in 2019.
- $3 million of exceptional finance income relates to foreign currency gains on lease obligations denominated in Brazilian Real.

2019

- $2 million of transaction related costs incurred prior to the combination of the Food and Specialty business of Ardagh and the business of Exal on October 31, 2019.
- $9 million of exceptional finance charges which includes $26 million of interest expense, $7 million of interest income and $10 million of foreign exchange gains on the Group's financing activities prior to the combination as mentioned above.

6. Finance income and expense

	Three months ended September 30, 2020 $'m	Period ended September 30, 2019 (i) $'m	Nine months ended September 30, 2020 $'m	Period ended September 30, 2019 (i) $'m
Senior Secured and Senior Notes	38	—	113	—
Other interest expense	4	—	11	—
Interest expense	**42**	**—**	**124**	**—**
Net foreign currency translation gains	(16)	—	(15)	—
Net pension interest costs	—	—	2	—
Losses/(gains) on derivative financial instruments	1	—	(1)	—
Finance expense before exceptional items	**27**	**—**	**110**	**—**
Exceptional finance (income)/expense (Note 5)	(1)	9	(3)	9
Net finance expense	**26**	**9**	**107**	**9**

(i) The period ended September 30, 2019 commenced on July 8, 2019, the date on which Trivium Packaging B.V. was incorporated. Please refer to Note 1 for further details.

7. Intangible assets and property, plant and equipment

	Goodwill $'m	Customer relationships $'m	Technology and other $'m	Software $'m	Total intangible assets $'m	Property, plant and equipment $'m
Net book value at January 1, 2020 (as reported)	**2,408**	**66**	**40**	**41**	**2,555**	**1,481**
Fair value adjustments	(642)	1,361	159	(7)	871	(510)
Net book value at January 1, 2020	**1,766**	**1,427**	**199**	**34**	**3,426**	**971**
Additions	—	—	3	9	12	86
Disposals	—	—	—	—	—	(7)
Charge for the period	—	(99)	(14)	(1)	(114)	(80)
Transfer to asset held for sale	—	—	—	—	—	(5)
Foreign exchange	54	40	6	2	102	12
Net book value at September 30, 2020	**1,820**	**1,368**	**194**	**44**	**3,426**	**977**

During the nine months ended September 30, 2020, a number of additional provisional fair value adjustments related to goodwill, customer relationships, technology and software intangible assets and property, plant and equipment were made in relation to the net assets acquired as part of the Food & Specialty business of Ardagh and Exal business acquisition. With the exception of additions, the above amounts are subject to the finalization of purchase price allocation which will be completed during Q4 2020. Additions in the two-month period to December 31, 2019 that are included in the net book value at January 1, 2020 are also not subject to the finalization of purchase price allocation.

At September 30, 2020, the carrying amount of the right-of-use assets included within property, plant and equipment was $94 million.

The Group recognized a depreciation charge of $28 million and $80 million in the three and nine months ended September 30, 2020.

Allocation of goodwill

Goodwill has not been allocated to groups of CGUs for the purpose of impairment testing at September 30, 2020, and is subject to the finalization of purchase price allocation and determination of the appropriate CGUs over which to allocate the goodwill, which will be completed during Q4 2020.

Impairment test for goodwill

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

Management has considered whether any impairment indicators existed at the reporting date, or arose subsequent to the date that the unaudited consolidated interim financial statements were approved for issue by the Supervisory Board, including assessing whether the Group had experienced or is expected to experience prolonged cessation of operations or had suffered or is expected to suffer either a prolonged decline in demand or prices and profitability as a result of COVID-19. In addition, management assessed the likely impact of potential reduced economic activity in the markets in which the Group operates. Since the Company is operating in a defensive industry and the Group's anticipated future trading performance is expected to continue to be comparable to that previously anticipated by management, the results of the assessment were such that no impairment indicators have been identified and that management have concluded that the goodwill is fully recoverable as at September 30, 2020.

8. Issued capital

Share capital

Issued and fully paid shares:

	Common shares (par value €1) (million)	Total $'m
At January 1, 2020	**40**	**44**
Share issuance	—	—
At September 30, 2020	**40**	**44**

As a result of the closing settlement between Ontario Teachers' Pension Plan ("OTPP"), Ardagh and the Group on May 20, 2020, an additional 127,284 ordinary shares were issued accordingly, with a par value of €1 per share, in the amount of €127,284 ($141,120) translated at €:$ 1.1087, with a share premium of $3 million.

There were no other share transactions in the three and nine months ended September 30, 2020.

9. Financial assets and liabilities

At September 30, 2020, the Group's net debt and available liquidity was as follows:

Facility	**Currency**	**Maximum amount drawable**	**Final maturity date**	**Facility type**	**Amount drawn**		**Undrawn amount**
		Local currency m			**Local currency m**	**$'m**	**$'m**
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	731	–
5.500% Senior Secured Notes	USD	1,050	15-Aug-26	Bullet	1,050	1,050	–
Floating Senior Secured (three-month EURIBOR + 3.750%)	EUR	355	15-Aug-26	Bullet	355	416	–
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	–
Global Asset Based Loan Facility	USD	215	31-Oct-24	Revolving	65	65	150
Lease Obligations	Various	-	-	Amortizing	-	93	–
Other Borrowings - Ardagh Credit Facility	USD	57	31-Oct-21	Revolving	-	–	57
Other Borrowings/credit lines	EUR/USD	-	-	Amortizing	-	1	–
Total borrowings / undrawn facilities						**3,056**	**207**
Deferred debt issue costs						(32)	–
Net borrowings / undrawn facilities						**3,024**	**207**
Cash and cash equivalents						(137)	137
Derivative financial instruments used to hedge foreign currency and interest rate risk						5	–
Net debt / available liquidity						**2,892**	**344**

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

The fair value of the Group's total borrowings excluding lease obligations at September 30, 2020 is $3,029 million (December 31, 2019: $3,106 million).

At September 30, 2020, the Group had $215 million available under the $250 million Global Asset Based Loan Facility, $65 million of which is drawn.

In late May 2020, the Group entered into a revolving credit facility (the "Ardagh Credit Facility") with Ardagh. The amount under the Ardagh Credit Facility is $57 million. The amount steps down to $36 million on December 15, 2020. The Ardagh Credit Facility matures on April 30, 2021 with an option to extend to October 31, 2021. At September 30, 2020, the amount drawn under the Ardagh Credit Facility was $nil.

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in areas such as incurrence of additional indebtedness (primarily maximum secured borrowings to Adjusted EBITDA and a minimum Adjusted EBITDA to interest expense), payment of dividends and incurrence of liens. The Global Asset Based Loan Facility is subject to a springing fixed charge coverage ratio covenant. The facility also includes cash dominion, representations, warranties, events of default and other covenants that are generally of a nature customary for such facilities.

At December 31, 2019, the Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	702	—
5.500% Senior Secured Notes	USD	1,050	15-Aug-26	Bullet	1,050	1,050	—
Floating Senior Secured (three-month EURIBOR + 3.750%)	EUR	355	15-Aug-26	Bullet	355	399	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	171	31-Oct-24	Revolving	70	70	101
Lease Obligations	Various	-	-	Amortising	-	100	—
Other borrowings/credit lines	EUR/USD	-	Rolling	Amortising	-	5	—
Total borrowings / undrawn facilities						**3,026**	**101**
Deferred debt issue costs						(46)	—
Net borrowings / undrawn facilities						**2,980**	**101**
Cash and cash equivalents						(157)	157
Derivative financial instruments used to hedge foreign currency and interest rate risk						9	—
Net debt / available liquidity						**2,832**	**258**

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

	At September 30, 2020 $'m	At December 31, 2019 $'m
Within one year or on demand	85	93
Between one and three years	26	27
Between three and five years	19	18
Greater than five years	2,926	2,888
Total borrowings	**3,056**	**3,026**
Deferred debt issue costs	(32)	(46)
Net borrowings	**3,024**	**2,980**

The Group's Senior Secured and Senior Notes of $2,897 million are included within the greater than five years maturity profile above.

Cross currency interest rate swaps

The Group hedges certain portions of its external borrowings and interest payable thereon using cross currency interest rate swaps ("CCIRS"), with a net liability at September 30, 2020 of $5 million (December 31, 2019: $8 million net liability).

Fair value methodology

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

Fair values are calculated as follows:

(i) Senior secured and senior notes - The fair value of debt securities in issue is based on valuation techniques in which all significant inputs are based on observable market data, which represent Level 2 inputs.

(ii) Global Asset Based Loan Facility and other borrowings - The estimated value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity and represents Level 2 inputs.
(iii) 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.

10. Employee benefit obligations

Employee benefit obligations at September 30, 2020 have been reviewed in respect of the latest discount rates and asset valuations. A re-measurement loss of $5 million and $8 million has been recognised in the unaudited consolidated interim statement of comprehensive income for the three and nine months ended September 30, 2020 respectively.

The re-measurement loss of $5 million recognised for the three months ended September 30, 2020 consisted of an increase in the obligations of $7 million, partly offset by an increase in asset valuations of $2 million.

The re-measurement loss of $8 million recognised in the nine months ended September 30, 2020 consisted of an increase in obligations of $15 million, partly offset by an increase in asset valuations of $7 million.

The defined benefit obligation in the Netherlands is due for repayment within one year and therefore has been included within current liabilities.

11. Cash generated from operating activities

	Three months ended September 30, 2020 $'m	Period ended September 30, 2019 (i) $'m	Nine months ended September 30, 2020 $'m	Period ended September 30, 2019 (i) $'m
Loss for the period	**(1)**	**(11)**	**(40)**	**(11)**
Income tax charge	20	—	19	—
Net finance expense (Note 6)	26	9	107	9
Depreciation and amortization (Note 7)	66	—	194	—
Exceptional operating items (Note 5)	12	2	39	2
Movement in working capital	16	—	(36)	—
Transaction-related and other exceptional costs paid	(4)	—	(34)	—
Exceptional restructuring paid	(1)	—	(5)	—
Cash generated from operating activities	**134**	**—**	**244**	**—**

(i) The period ended September 30, 2019 commenced on July 8, 2019, the date on which Trivium Packaging B.V. was incorporated in the Netherlands. Please refer to Note 1 for further details.

12. Related party transactions

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

The Group recognized expenses of $4 million and $15 million in respect of the MSA in the three and nine months ended September 30, 2020, respectively.

Following the finalization of the completion accounts process, the Group also settled a net related party payable owing to Ardagh of $52 million in the nine months ended September 30, 2020. This movement primarily relates to net deferred consideration of $32 million in respect of the transaction to combine the Food & Specialty business of Ardagh and the business of Exal.

In late May 2020, the Group entered into a revolving credit facility (the "Ardagh Credit Facility") with Ardagh. The amount under the Ardagh Credit Facility is $57 million. The amount steps down to $36 million on December 15, 2020. The Ardagh Credit Facility matures on April 30, 2021 with an option to extend to October 31, 2021. At September 30, 2020, the amount drawn under the Ardagh Credit Facility was $nil.

Included within current liabilities at September 30, 2020 are related party derivatives of $1 million with Ardagh.

At September 30, 2020 the Group has a net related party payable owing to Ardagh of $nil (December 31, 2019: $16 million).

13. Business combinations

On October 31, 2019 the transaction to combine the Food & Specialty business of Ardagh and the business of Exal to form the Trivium Group was completed.

The acquired businesses comprised 55 manufacturing plants primarily across Europe, North America, Argentina and Brazil.

During the nine months ended September 30, 2020, the Group further updated its initial purchase price allocation, to be completed during Q4 2020. The following table summarizes the consideration paid and the provisional fair value of assets acquired and liabilities assumed:

	$'m
Cash and cash equivalents	28
Property, plant and equipment	964
Intangible assets	1,667
Other non-current assets	3
Net working capital *	162
Derivative financial instruments	(3)
Income tax payable	(22)
Net deferred tax liability	(355)
Borrowings **	(273)
Employee benefit obligations	(352)
Total identifiable net assets	**1,819**
Goodwill	1,745
Total consideration	**3,564**

*Net working capital includes trade receivables of $305 million.
**Borrowings includes lease obligations of $100 million.

The allocations above are based on management's substantially completed determination of the fair values, subject to final completion during Q4 2020. Following the finalization of the completion accounts process, the total consideration consists of cash consideration paid of $2,590 million and non-cash equity consideration of $974 million.

The Group used a comparable market multiples approach including Adjusted EBITDA multiplied by an earnings multiple (based on comparable market transactions) to assess the fair value of the equity.

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

	$'m
Cash consideration paid	2,590
Cash and cash equivalents acquired	(28)
Net cash outflow	**2,562**

During the nine months ended September 30, 2020, cash consideration paid includes net consideration paid of $32 million, being $37 million related to the closing settlement partly offset by $5 million received from the remeasurement of the estimated consideration upon the finalization of the completion accounts process in accordance with the Sale and Purchase agreement between the parties.

Goodwill arising from the combination reflects the anticipated commercial and financial benefits, including transformation benefits, which include the integration of the two operational platforms in addition to the skills and the technical talent of the combined workforce.

14. 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 the manufacture of metal packaging and surface treatment using solvents;
- 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 manufacture, sale and servicing of machinery and equipment for the container metal packaging industry.

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

Legal matters

In 2015, the German competition authority (the Federal Cartel Office) initiated an investigation of the practices in Germany of metal packaging manufacturers, including the Food & Specialty business that Trivium has acquired from Ardagh Group S.A. In 2018, the European Commission took over this investigation and the German investigation is, as a result, at an end. Ardagh Group S.A. has agreed to provide an indemnity in respect of certain losses that Trivium might incur in connection with this investigation. The European Commission's investigation is ongoing, and there is at this stage no certainty as to the extent of any charge which may arise. Accordingly, no provision or associated indemnification asset has been recognized.

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

15. Seasonality of operations

The Group's revenue and cash flows are both subject to seasonal fluctuations with the Group generally building inventories in anticipation of these seasonal demands resulting in working capital requirements typically being greatest during the first quarter of the year. The demand for our food and seafood products is typically greater in the second and third quarters of the year. The Group manages the seasonality of working capital principally by supplementing operating cash flows with drawings under our Global Asset Based Loan facility.

16. Other information

COVID-19

The outbreak of the COVID-19 pandemic and the resulting measures to prevent its spread, including restrictions on travel, imposition of quarantines and prolonged closures of workplaces and other businesses, which ultimately resulted in lockdowns of many countries in which we do business, did not materially impact our operating results during the three and nine months ended September 30, 2020. Despite an adverse effect from reduced global economic activity as a result of these lockdowns in place for most of the second quarter, overall demand for the majority of our customers' products and, therefore, the products we manufacture, did not materially impact our operating results to date. The COVID-19 pandemic did not significantly impact our ability to operate our business, and there were no significant disruptions to our supply chain and workforce. The impact of the pandemic on capital markets is not expected to have a material impact on our cost of borrowing. During the three months ended September 30, 2020, incremental COVID-19 related costs, including safety and cleaning costs, continued to be incurred throughout the Group.

The ultimate significance of the impact of these disruptions will be determined by the length of time that such disruptions continue, which will, in turn, depend on the duration of the second wave of the COVID-19 pandemic, the impact of governmental and other regulations in response to the pandemic and the resulting effect on macroeconomic activity and consumer behavior.

Our ongoing response to the outbreak of the COVID-19 pandemic across our business operations can be summarized as follows:

Business Continuity:

We are a leading supplier of innovative, value-added, rigid packaging solutions in Europe, North America, Brazil and Argentina. In the markets we operate in, Trivium is an essential provider of packaging to the food supply chain. Other end-use categories for Trivium's products include nutrition, seafood, premium beverage offerings, paints & coatings, chemicals, personal care, pharmaceuticals and general household. Our employees are deemed "Essential Critical Infrastructure Workers" under the guidance of the U.S. Department of Homeland Security, as are many of our customers. Where other governments have issued guidance, we have received equivalent designations where we operate. As a result, all our global operations were and are permitted to continue to operate and mostly did so continuously through this quarter. Only in a few instances lines were taken down for a few days and restarted after production lines were cleaned. We will continue to manage our capacity in response to the evolution of demand.

Employee health and safety:

The health and safety of our 7,700 employees and their families and communities, as well as our contractors, suppliers and customers has been our highest priority since the outbreak of the crisis. We established a Group-wide task force to ensure an effective and consistent response across our business. Regular updates have been issued with dedicated communication of recommendations, policies and procedures. Communication with all stakeholders has been a core element in our response.

Measures continue to evolve in line with best practice and with recommendations by governments, national health authorities and the World Health Organization. Initiatives introduced to date have included: enhanced hygiene procedures in all locations, including increased cleaning in our production facilities; increased investment in personal protective equipment; adapting work practices and routines to ensure social distancing; establishing procedures for self-isolation; travel advisories including restrictions on all non-essential travel, prior to broader restrictions on any travel; restrictions on visitors to our production facilities or by our employees to external facilities; actively encouraging and, at times, requiring remote working for non-operational personnel, and enhancing our IT capability to facilitate increased remote working.

Available liquidity:

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.

The Group generates substantial cash flow from our operations on an annual basis. At the start of the pandemic, as a precautionary measure in response to the increased macroeconomic uncertainty related to COVID-19, we have increased our total available liquidity, by temporarily drawing up to 85% on our Global Asset Based Loan facility, and by entering a revolving credit facility with Ardagh respectively.

During the three months ended September 30, 2020, the Group repaid $127 million on our Global Asset Based Loan facility. The Group had $137 million in cash and cash equivalents and restricted cash as of September 30, 2020, as well as available but undrawn liquidity of $207 million under its credit facilities.

Going concern:

At the date that the unaudited consolidated interim financial statements were approved for issue by the Supervisory Board, the Management Board and Supervisory Board (together "the Boards") have formed the judgement that, despite the ongoing uncertainty around the development of the COVID-19 pandemic, there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, these unaudited consolidated interim financial statements have been prepared on a going concern basis.

In assessing whether the going concern assumption is appropriate, the Boards have taken into account all available information about a period, extending to at least, October 31, 2021. In particular, the Boards have considered the outbreak of COVID-19 and measures to prevent its spread being imposed by Governments in the countries in which the Group, its suppliers and its customers operate, as previously referred to.

In arriving at its conclusions, the Boards have 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 developed scenarios to reflect potential COVID-19 impacts on the Group's liquidity. The Boards have developed a number of adverse scenarios to reflect potential COVID-19 impacts on the Group's liquidity. These ultimately informed the Boards' judgement that it is appropriate to prepare the unaudited consolidated interim financial statements using the going concern basis.

Customer credit risk:

Group policy is to extend credit to customers of good credit standing. Credit risk is managed on an on-going basis, by experienced people 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 its customers, taking into account their financial position, past experience and other factors and regularly monitoring the utilization of credit limits. The Group monitors actual historical credit losses and adjusts for forward-looking information to measure the level of expected losses. Management's assessment includes consideration of 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, which may also provide a basis for an increase in the level of provision above historic loss experience.

Management does not expect any significant counterparty to fail to meet its obligations and there is no recent history of default with customers. Significant balances are assessed for evidence of increased credit risk. Examples of factors considered are high probability of bankruptcy, breaches of contract or major concession being sought by the customer. Instances of significant single customer related bad debts are rare and there is no significant concentration of risk associated with particular customers.

17. Events after the reporting period

During October 2020, the Group repaid in full the remaining drawings under our Global Asset Based Loan Facility (in the amount of $65 million).

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

SELECTED FINANCIAL INFORMATION

The following discussion should be read together with, and is qualified in its entirety by, reference to the Unaudited Consolidated Interim Financial Statements for the three months and nine months ended September 30, 2020 including the related notes thereto. As used in this section, the "Group" refers to Trivium Packaging B.V. and its subsidiaries.

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

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

	Unaudited (in $ millions, except percentages)	
	Three months ended September 30, 2020	Nine months ended September 30, 2020
Income statement data		
Revenue	757	2,024
Adjusted EBITDA [1]	123	319
Depreciation and amortization	(66)	(194)
Exceptional operating items [2]	(12)	(39)
Finance expense [3]	(26)	(107)
Profit/(loss) before tax	**19**	**(21)**
Income tax charge	(20)	(19)
Loss after tax	**(1)**	**(40)**
Other data		
Adjusted EBITDA margin [1]	16.2%	15.8%
Interest expense [3]	42	124
Capital expenditure [4]	31	87
Ratio of net debt to LTM adjusted EBITDA * [1][7][8]		7.1x
Balance sheet data		
Cash [5]		137
Total assets		5,468
Net borrowings [6]		3,024
Total equity		860
Net debt [7]		2,892

* LTM Adjusted EBITDA used to calculate the ratio of net debt to LTM adjusted EBITDA is an unaudited pro-forma last twelve months adjusted EBITDA, as if the combination of the Food & Specialty business of Ardagh and the Exal business had occurred on October 1, 2019.

All footnotes are on page 25 of this document.

OPERATING AND FINANCIAL REVIEW

Pro Forma Operating Results

The consolidated results for the three and nine months ended September 30, 2020 and 2019 are presented below. The consolidated results for the three and nine months ended September 30, 2019 are presented on a pro-forma basis as if the transaction to combine the Food & Specialty business of Ardagh and the Exal business to form the Trivium Group was completed on July 1, 2019 and January 1, 2019 respectively.

	Unaudited - Reported (in $ millions, except percentages)			
Reported Currency	Three months ended September 30,		Nine months ended September 30,	
	2020	**2019**	**2020**	**2019**
		Pro Forma		**Pro Forma**
Revenue				
Europe	541	507	1,452	1,451
Americas	216	204	572	544
Group	**757**	**711**	**2,024**	**1,995**
Adjusted EBITDA [(1)]				
Europe	78	77	201	217
Americas	45	44	118	116
Group	**123**	**121**	**319**	**333**
Adjusted EBITDA margin [(1)]				
Europe	14.4%	15.2%	13.8%	15.0%
Americas	20.8%	21.6%	20.6%	21.3%
Group	**16.2%**	**17.0%**	**15.8%**	**16.7%**

	Unaudited - Constant Currency (in $ millions, except percentages)			
Constant Currency	Three months ended September 30,		Nine months ended September 30,	
	2020	**2019**	**2020**	**2019**
		Pro Forma		**Pro Forma**
Revenue				
Europe	541	525	1,452	1,445
Americas	216	204	572	544
Group	**757**	**729**	**2,024**	**1,989**
Adjusted EBITDA [(1)]				
Europe	78	81	201	217
Americas	45	43	118	116
Group	**123**	**124**	**319**	**333**
Adjusted EBITDA margin [(1)]				
Europe	14.4%	15.4%	13.8%	15.0%
Americas	20.8%	21.1%	20.6%	21.3%
Group	**16.2%**	**17.0%**	**15.8%**	**16.7%**

All footnotes are on page 25 of this document.

Review of the period

Three months ended September 30, 2020

Group

Revenue for the three-month period ended September 30, 2020 increased by $46 million, or 6%, to $757 million, compared with $711 million for the pro-forma three-month period ended September 30, 2019. Adjusted EBITDA for the three-month period ended September 30, 2020 increased by $2 million, or 2%, to $123 million, compared with $121 million in the pro-forma three-month period ended September 30, 2019. On a constant currency basis, revenue increased by $28 million and adjusted EBITDA decreased by $1 million for the third quarter, compared with the pro-forma quarter ended September 30, 2019.

Europe

Revenue for the three-month period ended September 30, 2020 increased by $34 million, or 7%, to $541 million, compared with $507 million in the pro-forma three-month period ended September 30, 2019. On a constant currency basis, revenue increased by 3%, as favorable volume/mix effects were partly offset by lower selling prices, including the pass-through of lower input costs. Adjusted EBITDA for the three-month period ended September 30, 2020 increased by $1 million, or 1%, to $78 million, compared with $77 million in the pro-forma three-month period ended September 30, 2019. On a constant currency basis, adjusted EBITDA decreased by 4%, due mainly to lower selling prices and higher costs, partly offset by favorable volume/mix effects.

Americas

Revenue for the three-month period ended September 30, 2020 increased by $12 million, or 6%, to $216 million, compared with $204 million for the pro-forma three-month period ended September 30, 2019. The increase in revenue primarily relates to strong growth in our North American food business, partly offset by lower volume/mix in our aerosols business as a result of the impact of the COVID-19 pandemic and the pass-through of lower raw material input costs. Adjusted EBITDA for the three-month period ended September 30, 2020 increased by $1 million, or 2%, to $45 million, compared with $44 million for the pro-forma three-month period ended September 30, 2019. The increase in adjusted EBITDA is principally due to favorable volume/mix effects in the North American food business and operating and other cost savings and efficiencies, partly offset by lower volume/mix in our aerosols business as a result of the impact of the COVID-19 pandemic.

Nine months ended September 30, 2020

Group

Revenue for the nine-month period ended September 30, 2020 increased by $29 million, or 1%, to $2,024 million, compared with $1,995 million for the pro-forma nine-month period ended September 30, 2019. Adjusted EBITDA for the nine-month period ended September 30, 2020 decreased by $14 million, or 4%, to $319 million, compared with $333 million in the pro-forma nine-month period ended September 30, 2019. On a constant currency basis, revenue for the nine months ended September 30, 2020 increased by $35 million, while adjusted EBITDA decreased by $14 million, compared with the pro-forma nine months ended September 30, 2019.

Europe

Revenue for the nine-month period ended September 30, 2020 increased by $1 million, to $1,452 million, compared with $1,451 million in the pro-forma nine-month period ended September 30, 2019. On a constant currency basis, revenue increased by $7 million principally due to higher volume/mix effects, partly offset by the pass-through of lower input costs. Adjusted EBITDA for the nine-month period ended September 30, 2020 decreased by $16 million, or 7%, to $201 million, compared with $217 million in the pro-forma nine-month period ended September 30, 2019. On a constant currency basis, adjusted EBITDA decreased by 7%, due mainly to unfavorable tinplate revaluation effects and increased costs including COVID-related costs, partly offset by favorable mix effects.

Americas

Revenue for the nine-month period ended September 30, 2020 increased by $28 million or 5%, to $572 million, compared with $544 million for the pro-forma nine-month period ended September 30, 2019. The increase in revenue primarily relates to favorable volume/mix effect in our North American food business partly offset by an unfavorable volume/mix effect in our aerosols business as a result of the impact of the COVID-19 pandemic, the pass-through of lower raw material input costs and the effect of the divestment in South America. Adjusted EBITDA for the nine-month period ended September 30, 2020 increased by $2 million or, 2% to $118 million compared with $116 million in the pro-forma nine-month period ended September 30, 2019. On a constant currency basis, adjusted EBITDA increased by 2% mainly due to favorable volume/mix effects in our North American food business and improved operational efficiencies, partly offset by unfavorable volume/mix effects in our aerosols business as a result of the impact of the COVID-19 pandemic and adverse tinplate revaluation effects.

Capital Expenditure

	Three months ended September 30, 2020			Nine months ended September 30, 2020		
	Europe	Americas	Group	Europe	Americas	Group
	$'m	$'m	$'m	$'m	$'m	$'m
Capital Expenditure	21	10	31	67	20	87

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

Liquidity and Capital Resources at September 30, 2020

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. These and other sources of external financing are described further in the following table.

The following table outlines our principal financing arrangements as of September 30, 2020.

Facility	**Currency**	**Maximum amount drawable**	**Final maturity date**	**Facility type**	**Amount drawn**		**Undrawn amount**
		Local currency m			**Local currency m**	**$'m**	**$'m**
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	731	–
5.500% Senior Secured Notes	USD	1,050	15-Aug-26	Bullet	1,050	1,050	–
Floating Senior Secured (three-month EURIBOR + 3.750%)	EUR	355	15-Aug-26	Bullet	355	416	–
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	–
Global Asset Based Loan Facility	USD	215	31-Oct-24	Revolving	65	65	150
Lease Obligations	Various	-	-	Amortizing	-	93	–
Other Borrowings - Ardagh Credit Facility	USD	57	31-Oct-21	Revolving	-	–	57
Other Borrowings/credit lines	EUR/USD	-	-	Amortizing	-	1	–
Total borrowings / undrawn facilities						**3,056**	**207**
Deferred debt issue costs						(32)	–
Net borrowings / undrawn facilities						**3,024**	**207**
Cash and cash equivalents						(137)	137
Derivative financial instruments used to hedge foreign currency and interest rate risk						5	–
Net debt / available liquidity						**2,892**	**344**

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.

The Group had $137 million in cash and cash equivalents and restricted cash as of September 30, 2020, as well as available but undrawn liquidity of $207 million under its credit facilities.

In late May 2020, the Group entered into a revolving credit facility with Ardagh. The amount under the Ardagh Credit Facility is $57 million. The amount steps down to $36 million on December 15, 2020. The Ardagh Credit Facility matures on April 30, 2021 with an option to extend to October 31, 2021. At September 30, 2020, the amount drawn under the Ardagh Credit Facility was $nil.

Receivables factoring and related programs

The Group participates in several uncommitted accounts receivable factoring and related programs with various financial institutions, accounted for as true sales of receivables, without recourse to the Group. Receivables of $204 million were sold under these programs at September 30, 2020 (June 30, 2020: $183 million).

Footnotes to the Selected Financial Information

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

(2) Exceptional items are shown on a number of different lines in the unaudited Consolidated Interim Income Statement. See Note 5 to the unaudited consolidated interim financial statements for further details.

(3) Finance and interest expense is as presented on page 11.

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

(5) Cash and cash equivalents include restricted cash.

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

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

(8) Net debt to adjusted LTM EBITDA ratio at September 30, 2020 of 7.1x, is based on net debt at September 30, 2020 of $2,892 million and pro forma last twelve months adjusted EBITDA of $408 million. Including projected transformation benefits of at least $50 million expected by December 2022, the net debt to adjusted pro forma last twelve months EBITDA ratio at September 30, 2020 would be 6.3x.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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