Interim Report To Bondholders

For the three-month period
ended March 31, 2022

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TRIVIUM PACKAGING

INDEX TO THE INTERIM REPORT TO BONDHOLDERS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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.

Unaudited Interim Condensed Consolidated Financial Statements

TRIVIUM
PACKAGING

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

		Unaudited					
		Three-month period ended March 31,					
		2022			2021		
	Note	Before exceptional items $'m	Exceptional items $'m	Total $'m	Before exceptional items $'m	Exceptional items $'m	Total $'m
			Note 5			Note 5	
Revenue	4	780	—	780	706	—	706
Cost of sales		(547)	(11)	(558)	(569)	(32)	(601)
Gross profit/(loss)		**233**	**(11)**	**222**	**137**	**(32)**	**105**
Sales, general and administration expenses		(61)	(16)	(77)	(58)	(9)	(67)
Intangible amortization	7	(40)	—	(40)	(42)	—	(42)
Operating profit/(loss)		**132**	**(27)**	**105**	**37**	**(41)**	**(4)**
Net finance (expense)/income	6	(40)	—	(40)	(43)	—	(43)
Profit/(loss) before tax		**92**	**(27)**	**65**	**(6)**	**(41)**	**(47)**
Income tax (charge)/credit		(31)	4	(27)	(5)	10	5
Profit/(loss) for the period		**61**	**(23)**	**38**	**(11)**	**(31)**	**(42)**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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

		Unaudited	
		Three-month period ended March 31,	
		2022	2021
	Note	$'m	$'m
Profit/(loss) for the period		**38**	**(42)**
Other comprehensive income:			
Items that may subsequently be reclassified to statement of income			
Foreign currency translation adjustments:			
—Arising in the period		(15)	(31)
		(15)	**(31)**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		24	34
—Movement out of reserve to statement of income		(15)	(34)
—Movement in deferred tax		(2)	(2)
		7	**(2)**
Gain recognized on cost of hedging:			
—New fair value adjustments into reserve		(4)	—
—Movement in deferred tax		—	—
		(4)	**—**
Items that will not be reclassified to statement of income			
—Re-measurement of employee benefit obligations	10	31	21
—Deferred tax movement on employee benefit obligations		(9)	(5)
		22	**16**
Total other comprehensive income/(loss) for the period		**10**	**(17)**
Total comprehensive income/(loss) for the period		**48**	**(59)**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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

	Note	Unaudited At March 31, 2022 $'m	Audited At December 31, 2021 $'m
Non-current assets			
Intangible assets	7	3,062	3,146
Property, plant and equipment	7	1,014	1,010
Deferred tax assets		58	66
Other non-current assets		10	5
Derivative financial instruments		7	—
		4,151	**4,227**
Current assets			
Inventories		556	387
Trade and other receivables		466	415
Contract assets		39	28
Assets held for sale		3	3
Derivative financial instruments		10	5
Cash and cash equivalents		94	215
		1,168	**1,053**
TOTAL ASSETS		**5,319**	**5,280**
Equity			
Issued capital	8	44	44
Share premium		930	930
Other reserves		6	25
Retained earnings		(260)	(320)
TOTAL EQUITY		**720**	**679**
Non-current liabilities			
Borrowings	9	2,887	2,909
Employee benefit obligations	10	314	339
Deferred tax liabilities		373	390
Provisions		18	30
Deferred revenue		18	18
Derivative financial instruments		—	2
		3,610	**3,688**
Current liabilities			
Borrowings	9	83	22
Interest payable		18	50
Trade and other payables		787	723
Deferred revenue		1	27
Income tax payable		48	27
Provisions		51	64
Derivative financial instruments		1	—
		989	**913**
TOTAL LIABILITIES		**4,599**	**4,601**
TOTAL EQUITY and LIABILITIES		**5,319**	**5,280**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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

	Unaudited						
	Attributable to the owner of the parent						
	Share capital $'m	Share premium $'m	Foreign currency translation reserve $'m	Cash flow hedge reserve $'m	Cost of hedging reserve $'m	Retained earnings $'m	Total equity $'m
	Note 8						
At January 1, 2021	**44**	**930**	**53**	**22**	**5**	**(215)**	**839**
Loss for the period	—	—	—	—	—	(42)	**(42)**
Other comprehensive (loss)/income for the period	—	—	(31)	(2)	—	16	**(17)**
Net hedging gains transferred to cost of inventory	—	—	—	(1)	—	—	**(1)**
At March 31, 2021	**44**	**930**	**22**	**19**	**5**	**(241)**	**779**
At January 1, 2022	**44**	**930**	**7**	**13**	**5**	**(320)**	**679**
Profit for the period	—	—	—	—	—	38	**38**
Other comprehensive (loss)/income for the period	—	—	(15)	7	(4)	22	**10**
Net hedging gains transferred to cost of inventory	—	—	—	(7)	—	—	**(7)**
At March 31, 2022	**44**	**930**	**(8)**	**13**	**1**	**(260)**	**720**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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

		Unaudited Three-month period ended March 31,	
	Note	2022 $'m	2021 $'m
Cash flows from operating activities			
Cash (used)/generated from operations	11	(74)	23
Income tax paid		(7)	(3)
Interest paid		(66)	(74)
Net cash used in operating activities		(147)	(54)
Cash flows from investing activities			
Purchase of property, plant and equipment		(46)	(29)
Purchase of intangible assets		(4)	(6)
Proceeds relating to property, plant and equipment		21	2
Net cash used in investing activities		(29)	(33)
Cash flows from financing activities			
Proceeds from borrowings	9	66	70
Repayment of borrowings	9	(6)	(12)
Lease payments		(5)	(6)
Net cash from financing activities		55	52
Net decrease in cash and cash equivalents		**(121)**	**(35)**
Cash and cash equivalents at the beginning of the period		215	157
Foreign exchange gains/losses on cash and cash equivalents		—	(4)
Cash and cash equivalents at the end of the period		**94**	**118**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TRIVIUM PACKAGING B.V.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED 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, World Trade Centre ("WTC") Schiphol, Tower G, 1118 BG Schiphol, The Netherlands.

Trivium Packaging B.V. and its subsidiaries (together the "Group") are a leading supplier of innovative, value-added, rigid metal packaging solutions. The Group's products mainly include metal containers primarily for servicing end-use categories which include beauty and personal care, beverage, food, home care and industrial, nutrition, paints and coatings, petfood, pharmaceutical, seafood, vitamins, supplements and over the counter packaging.

These interim condensed consolidated financial statements reflect the consolidation of the legal entities forming the Group for the three-month period ended March 31, 2022 (the "reporting date") and for the comparative periods presented. Amounts disclosed for the three-month period ended March 31, 2022 and March 31, 2021 are unaudited.

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

The interim condensed consolidated financial statements were approved for issue by the Supervisory Board of Trivium Packaging B.V. (the "Supervisory Board") on May 9, 2022.

2. Statement of directors' responsibilities

The Directors are responsible for preparing the interim condensed consolidated 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 interim condensed financial consolidated 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 interim condensed consolidated financial statements. Changes to accounting policies applied in the three-month period ended March 31, 2022 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.

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

Basis of preparation

The interim condensed consolidated financial statements of the Group for the three-month period ended March 31, 2022 have been prepared in accordance with, and are in compliance with, IAS 34 “Interim Financial Reporting”. The interim condensed consolidated 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 year ended December 31, 2021 which was prepared in accordance with, and in compliance with, International Financial Reporting Standards (“IFRS”) and related interpretations as issued by the International Accounting Standards Board (“IASB”).

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

The accounting policies, presentation and methods of computation followed in the interim condensed consolidated financial statements are consistent with those applied in the Group’s latest Report to Bondholders for the year ended December 31, 2021.

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

Going concern

At the date that the interim condensed consolidated financial statements were approved for issue by the Supervisory Board, the Supervisory 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 interim condensed consolidated financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Supervisory Board has taken into account all available information about a period, extending to at least, May 31, 2023. In arriving at its conclusion, the Supervisory 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 Supervisory Board’s judgment that it is appropriate to prepare the interim condensed consolidated financial statements using the going concern basis.

Recently adopted accounting standards and changes in accounting policies

The Group has considered the following amendments for first time application for their annual reporting period commencing January 1, 2022:

- narrow scope amendments to IFRS 3, IAS 16, IAS 37; and
- annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

The impact of the above amendments and improvements have been assessed by the Supervisory Board and are not deemed to have had a material impact for the Group.

Recent accounting pronouncements

The Supervisory 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 interim condensed consolidated financial statements and disclosures is on-going.

4. Segment and revenue analysis

The Group has two operating and reportable segments, Europe and Americas, these exclude certain corporate headquarter costs that have not been allocated to the segments. This reflects the basis on which the Group performance is reviewed by management and presented to the CODM.

Performance of the business is assessed based on Adjusted EBITDA, which is the profit or loss for the period before income tax charge or credit, net finance expense, depreciation and amortization, exceptional operating items and accrual for the long-term performance-based plan (expected to be payable in 2025). 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 revenues are not material.

Reconciliation of the profit for the period to Adjusted EBITDA:

	Three-month period ended March 31,	
	2022 $'m	2021 $'m
Profit/(loss) for the period	38	(42)
Income tax charge/(credit)	27	(5)
Net finance expense (Note 6)	40	43
Depreciation and amortization (Note 7)	67	71
Exceptional operating items (Note 5)	27	41
Long-term performance-based plan (Note 10)	9	7
Adjusted EBITDA	**208**	**115**

Segment results for the three-month period ended March 31, 2022 are:

	Europe $'m	Americas $'m	Corporate costs $'m	Group $'m
Revenue	528	252	—	**780**
Adjusted EBITDA	135	77	(4)	**208**

Segment results for the three-month period ended March 31, 2021 are:

	Europe $'m	Americas $'m	Corporate costs $'m	Group $'m
Revenue	493	213	—	**706**
Adjusted EBITDA	76	41	(2)	**115**

One customer in the Americas segment accounted for more than 10% of total revenue in the three-month period ended March 31, 2022 and March 31, 2021.

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-month period ended March 31, 2022:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Europe	482	2	44	528
Americas	—	211	41	252
Group	**482**	**213**	**85**	**780**

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

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Europe	451	3	39	493
Americas	—	176	37	213
Group	**451**	**179**	**76**	**706**

5. Exceptional items

	Three-month period ended March 31,	
	2022 $'m	2021 $'m
Restructuring (release)/costs and other costs	(2)	32
Exceptional event related costs	13	—
Exceptional items – cost of sales, net	**11**	**32**
Restructuring and other costs	1	3
Exceptional event related costs	4	—
Transaction and transformation related costs	11	6
Exceptional items – SG&A expenses, net	**16**	**9**
Exceptional income tax credit	**(4)**	**(10)**
Total exceptional items, net of tax	**23**	**31**

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

2022

Exceptional items before tax of $27 million have been recognized for the three-month period ended March 31, 2022, primarily comprising:

- $11 million in cost of sales of which $(3) million relates to a net release of the restructuring provision due to a reassessment of the provision against requirements in the Europe business, and $1 million related to customer start-up and site closure costs. In addition, there are $13 million of expenses as a result of the exceptional events (see details below), comprising of $11 million relating to the Russia-Ukraine conflict and $2 million in respect of the ongoing recovery of our plant at Erftstadt in Germany which was flooded in 2021.
- $16 million in SG&A of which $1 million relates to SG&A restructuring costs and $4 million were incurred in relation to the Russia-Ukraine event (see details below). In addition, $11 million related to costs associated with the ongoing execution of the transformation plan of the Group, transaction costs and advisor fees.

2021

Exceptional items before tax of $41 million have been recognized for the three-month period ended March 31, 2021, primarily comprising:

- $32 million in cost of sales of which $31 million relates to the announced closures of our plants in Veenendaal, the Netherlands, and in Schweighouse, France, the right-sizing of our plant in Beaurepaire, France, and $1 million of customer start-up costs.

- $9 million in SG&A of which $3 million related to SG&A restructuring costs and $6 million related to transformation-related costs due to the ongoing execution of the transformation plan of the Group.

Exceptional events

During the three-month period ended March 31, 2022, the Group was impacted by the invasion of Russia into Ukraine on February 24, 2022, as a result of having operations in both countries. In addition, the recovery of the operations at the plant in Erftstadt, Germany, as a result of a flood in 2021, continued during the three-month period ended March 31, 2022.

Russia-Ukraine conflict event
The Group operates with two plants in Ukraine and one plant in Russia. In aggregate, the two countries contribute less than 1% of the Group's total revenue and assets at the reporting date.

Ukraine
The plants in Ukraine remain largely operational, however they are in an uncertain trading environment due to the ongoing conflict. The Group is committed to a continued presence in Ukraine but given the enhanced risk of operating in a conflict zone, an impairment assessment of the assets was conducted at the reporting date and an impairment of $8 million was recorded. Of this amount, $7 million was recorded in exceptional cost of sales in respect of the write-off of inventory and tangible fixed assets and $1 million was recorded in respect of the write-off of accounts receivables.

The Group used a value in use ("VIU") model for the purposes of impairment testing, as this reflects the Group's intention to hold and operate the assets. The VIU model was adjusted for the uncertainty in the trading environment that could hamper future cashflows and profitability as well as for the enhanced risk of operating in a conflict zone that increases the weighted average cost of capital. Consideration was also given to actual trading performance in March 2022 and sensitivity of the model to changes in future profitability and discount rates.

Russia
The Group has determined that its presence in Russia is neither sustainable nor viable given the current environment. Consequently, the Group has decided to cease its presence in Russia. A restructuring provision has been recorded based on mutual agreement with the impacted staff, and an effort is underway to identify potential buyers. Given the enhanced risk of doing business in a sanctioned environment, an impairment assessment of the assets was conducted at the reporting date and an impairment of $7 million was recorded. Of this amount, $4 million was recorded in exceptional cost of sales in respect of the write-off of inventory and tangible fixed assets and $3 million was recorded in respect of the write-off of accounts receivables.

The impairment assessment was based on an estimate of the recoverable amount and residual values that could be expected from individual assets.

Flooding event
As a consequence of the flooding event in 2021, the Erftstadt plant's recovery process is still ongoing and is expected to conclude in Q2 2022. Production continues to operate at a lower level during the recovery of the impacted lines. Incremental recovery, ramp up costs and impairment of property, plant and equipment of $2 million was recorded during the three-month period ended March 31, 2022.

6. Net finance expense

	Three-month period ended March 31,	
	2022 $'m	2021 $'m
Senior Secured and Senior Notes	37	39
Other interest expense	2	3
Interest expense	**39**	**42**
Net foreign currency translation losses/(gains)	1	(1)
Net pension interest costs	1	1
Net (gains)/losses on derivative financial instruments	(1)	1
Net finance expense	**40**	**43**

Included within Senior Secured and Senior Notes is net interest income on cross currency interest rate swaps ("CCIRS") of $4 million for the three-month period ended March 31, 2022 (three-month period ended March 31, 2021: $3 million).

7. Intangible assets and property, plant and equipment

	Goodwill $'m	Customer relationships $'m	Technology, Software and other $'m	Total intangible assets $'m	Property, plant and equipment $'m
At December 31, 2021					
Cost	1,762	1,457	277	**3,496**	**1,199**
Accumulated amortization and depreciation	—	(295)	(55)	**(350)**	**(189)**
Net book value	**1,762**	**1,162**	**222**	**3,146**	**1,010**
Period ended March 31, 2022					
Opening net book value	1,762	1,162	222	**3,146**	**1,010**
Additions	—	—	4	**4**	**48**
Impairment (Note 5)	—	—	—	**—**	**(4)**
Disposals	—	—	—	**—**	**(1)**
Charge for the period	—	(33)	(7)	**(40)**	**(27)**
Foreign exchange	(28)	(16)	(4)	**(48)**	**(12)**
Net book value at March 31, 2022	**1,734**	**1,113**	**215**	**3,062**	**1,014**
At March 31, 2022					
Cost	1,734	1,606	341	**3,681**	**1,338**
Accumulated amortization and depreciation	—	(493)	(126)	**(619)**	**(324)**
Net book value	**1,734**	**1,113**	**215**	**3,062**	**1,014**

At March 31, 2022, the carrying amount of the right-of-use assets included within property, plant and equipment was $83 million (December 31, 2021: $86 million).

The Group recognized a depreciation and amortization charge of $67 million for the three-month period ended March 31, 2022 (three-month period ended March 31, 2021: $71 million).

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 existed at the reporting date, including assessing whether any cash-generating units ("CGU") had experienced or are expected to experience prolonged cessation of operations or had suffered or are expected to suffer either a prolonged decline in demand and profitability. Since 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 which would give rise to an impairment and that management have concluded that the goodwill is fully recoverable at March 31, 2022.

8. Issued capital

Share capital

Issued and fully paid shares:

	Common shares (par value €1) (million)	Total $'m
At March 31, 2022	**40**	**44**
At December 31, 2021	**40**	**44**

There were no share transactions in the three-month period ended March 31, 2022 and March 31, 2021.

9. Financial assets and liabilities

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

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount/ liquidity
		Local currency 'm			Local currency 'm	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	694	—
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	394	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	246	31-Oct-24	Revolving	58	58	188
Lease Obligations	Various	—	—	Amortizing	—	88	—
Other Borrowings/credit lines	Various	—	—	Amortizing	—	6	—
Total borrowings / undrawn facilities						**2,990**	**188**
Deferred debt issue costs						(20)	—
Net borrowings / undrawn facilities						**2,970**	**188**
Cash and cash equivalents						(94)	94
Derivative financial instruments used to hedge foreign currency and interest rate risk						(7)	—
Net debt / available liquidity						**2,869**	**282**

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

Interest payable of $18 million (December 31, 2021: $50 million) includes interest on Senior Secured and Senior Notes of $20 million (December 31, 2021: $56 million) and net interest receivable on CCIRS of $2 million (December 31, 2021: $6 million).

The fair value of the Group's total borrowings excluding lease obligations at March 31, 2022 is $2,873 million (December 31, 2021: $2,949 million).

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in areas such as incurrence of additional indebtedness (primarily maximum secured borrowings to Adjusted EBITDA and a minimum Adjusted EBITDA to interest expense), payment of dividends and incurrence of liens. The Global Asset Based Loan 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, 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/ liquidity
		Local currency 'm			Local currency 'm	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	708	—
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	402	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	240	31-Oct-24	Revolving	—	—	240
Lease Obligations	Various	—	—	Amortizing	—	90	—
Other Borrowings/credit lines	Various	—	—	Amortizing	—	3	—
Total borrowings / undrawn facilities						**2,953**	**240**
Deferred debt issue costs						(22)	—
Net borrowings / undrawn facilities						**2,931**	**240**
Cash and cash equivalents						(215)	215
Derivative financial instruments used to hedge foreign currency and interest rate risk						2	—
Net debt / available liquidity						**2,718**	**455**

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

	At March 31, 2022 $'m	At December 31, 2021 $'m
Within one year or on demand	83	22
Between one and three years	26	26
Between three and five years	2,153	2,177
Greater than five years	728	728
Total borrowings	**2,990**	**2,953**
Deferred debt issue costs	(20)	(22)
Net borrowings	**2,970**	**2,931**

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.

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 asset at March 31, 2022 of $7 million (December 31, 2021: $2 million net liability).

Net investment hedge in foreign operations

In the three-month period ended March 31, 2022, the Group recognized a loss of $10 million on the $482 million of its 5.5% senior secured notes due 2026 that it designated as a net investment hedge (three-month period ended March 31, 2021: loss of $22 million).

10. Employee benefit obligations

Employee benefit obligations at March 31, 2022 have been reviewed in respect of the latest discount rates and asset valuations and a re-measurement gain of $31 million has been recognized in the interim condensed consolidated statement of comprehensive income for the three-month period ended March 31, 2022 (three-month period ended March 31, 2021: gain of $21 million).

The net movement in the employee benefit obligations/assets during the period is shown below:

	Defined benefit plans				Other long-term employee benefits	Total net employee benefits
	US	Germany	UK	Other		
	$'m	$'m	$'m	$'m	$'m	$'m
At December 31, 2021	**3**	**(226)**	**(7)**	**(1)**	**(108)**	**(339)**
Decrease (increase) in obligation	3	19	20	—	(7)	**35**
Decrease in asset valuation	(2)	—	(11)	—	—	**(13)**
Foreign exchange	—	5	(1)	—	4	**8**
At March 31, 2022	**4**	**(202)**	**1**	**(1)**	**(111)**	**(309)**

At March 31, 2022, the total net employee benefit obligations is presented within non-current liabilities amounting to $314 million, whilst the surplus of $5 million relating to the defined benefit schemes in the US and UK is classified within other non-current assets in the interim condensed statement of financial position.

In the event of a wind-up of either the US or UK scheme, following the full settlement of scheme liabilities by the Trustees, the pension scheme rules provide the Group with an unconditional right to a refund of any remaining surplus. In the ordinary course of business, the Trustees have no rights to wind up or change the benefits due to members of the scheme. As a result, the net surplus in these pension schemes is recognized in full.

Other long-term employee benefits at March 31, 2022 includes $82 million relating to the long-term performance-based plan (December 31, 2021: $73 million). In the three-month period ended March 31, 2022 a $9 million charge was recognized in respect of the long-term performance-based plan (three-month period ended March 31, 2021: $7 million).

11. Cash generated from operating activities

	Three-month period ended March 31,	
	2022 $'m	2021 $'m
Profit/(loss) for the period	**38**	**(42)**
Income tax charge/(credit)	27	(5)
Net finance expense (Note 6)	40	43
Depreciation and amortization (Note 7)	67	71
Exceptional operating items (Note 5)	27	41
Long-term performance-based plan (Note 10)	9	7
Movement in working capital	(259)	(73)
Transformation-related and other exceptional costs paid	(16)	(15)
Exceptional restructuring paid	(7)	(4)
Cash (used)/generated from operating activities	**(74)**	**23**

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 currently ongoing services relate to administrative support in respect of accounting, tax reporting, R&D 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 $1 million in respect of the MSA during the three-month period ended March 31, 2022 (March 31, 2021: $4 million).

At March 31, 2022 the Group has a net related party payable to the Dutch pension fund of $3 million (2021: $3 million).

13. Contingent liabilities

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 manufacturing 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 wastewater 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

The French Competition Authority is currently investigating practices implemented in the sector of the manufacturing and sale of food products in contact with materials that may contain or may have contained Bisphenol A. There is, at this stage, no certainty as to the extent of any charge which may arise as a result of this investigation. Accordingly, no provision or indemnification liability 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.

14. 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.

15. Events after the reporting period

The Group renegotiated its Global Asset Based Loan Facility whereby the Facility limit was increased from $250 million to $330 million, effective from April 12, 2022, with an extension to the maturity date of the Facility to April 11, 2027.

Management's Discussion and Analysis of Financial Condition and Results of Operations

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SELECTED FINANCIAL INFORMATION

The following discussion should be read together with, and is qualified in its entirety by, reference to the interim condensed consolidated financial statements for the three-month period ended March 31, 2022 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-month period ended March 31,	
	2022	2021
Statement of income data		
Revenue	780	706
Adjusted EBITDA [1]	208	115
Depreciation and amortization	(67)	(71)
Exceptional operating items [2]	(27)	(41)
Net finance expense [3]	(40)	(43)
Long-term performance-based plan [4]	(9)	(7)
Profit/(loss) before tax	**65**	**(47)**
Income tax (charge)/credit	(27)	5
Profit/(loss) after tax	**38**	**(42)**
Other data		
Adjusted EBITDA margin [1]	26.7%	16.3%
Interest expense [3]	39	42
Capital expenditure [5]	29	33
Ratio of net debt to LTM Adjusted EBITDA [1][8][9]	5.3x	6.8x

	Unaudited	Audited
	At March 31,	At December 31,
	2022	2021
	$'m	$'m
Statement of financial position data		
Cash [6]	94	215
Total assets	5,322	5,280
Net borrowings [7]	2,970	2,931
Total equity	720	679
Net debt [8][9]	2,869	2,718

* LTM adjusted EBITDA used to calculate the ratio of net debt to LTM adjusted EBITDA is an unaudited last twelve months adjusted EBITDA.

All footnotes are on page 26 of this document.

OPERATING AND FINANCIAL REVIEW

The consolidated results for the three-month period ended March 31, 2022 and March 31, 2021 are presented below.

Reported Currency	Unaudited - Reported (in $ millions, except percentages) Three-month period ended March 31	
	2022	**2021**
Revenue		
Europe	528	493
Americas	252	213
Group	**780**	**706**
Adjusted EBITDA [1]		
Europe	135	76
Americas	77	41
Corporate	(4)	(2)
Group	**208**	**115**
Adjusted EBITDA margin [1]		
Europe	25.6%	15.4%
Americas	30.6%	19.2%
Corporate	n/a	n/a
Group	**26.7%**	**16.3%**

Constant Currency	Unaudited - Constant Currency (in $ millions, except percentages) Three-month period ended March 31	
	2022	**2021**
Revenue		
Europe	528	459
Americas	252	213
Group	**780**	**672**
Adjusted EBITDA [1]		
Europe	135	71
Americas	77	41
Corporate	(4)	(2)
Group	**208**	**110**
Adjusted EBITDA margin [1]		
Europe	25.6%	15.5%
Americas	30.6%	19.2%
Corporate	n/a	n/a
Group	**26.7%**	**16.4%**

All footnotes are on page 26 of this document.

Review of the period

Three-month period ended March 31, 2022

Group

Revenue for the three-month period ended March 31, 2022 increased by $74 million, or 10%, to $780 million, compared to $706 million for the three-month period ended March 31, 2021. Adjusted EBITDA for the three-month period ended March 31, 2022 increased by $93 million, or 81%, to $208 million compared to $115 million for the three-month period ended March 31, 2021. Excluding unfavorable foreign currency translation effects on revenue and adjusted EBITDA of $34 million and $5 million, respectively, revenue increased by $108 million and adjusted EBITDA increased by $98 million.

Europe

Revenue for the three-month period ended March 31, 2022 increased by $35 million, or 7%, to $528 million, compared to $493 million for the three-month period ended March 31, 2021. On a constant currency basis, revenue increased by $69 million or 15%, primarily due to higher selling prices relating to the pass-through of increased input costs, partly offset by unfavorable volumes/mix effects. Adjusted EBITDA for the three-month period ended March 31, 2022 increased by $59 million, or 78%, to $135 million, compared to $76 million for the three-month period ended March 31, 2021. On a constant currency basis, adjusted EBITDA increased by $64 million or 90%, driven by a positive year-on-year input cost inflation effect (timing) and incremental margin benefits realized from the Group's ongoing transformation program, partly offset by lower volume/mix effects.

Americas

Revenue for the three-month period ended March 31, 2022 increased by $39 million, or 18%, to $252 million, compared to $213 million for the three-month period ended March 31, 2021. The increase in revenue relates to higher selling prices primarily related to the pass-through of increased input costs, partly offset by unfavorable volume/mix effects. Adjusted EBITDA for the three-month period ended March 31, 2022 increased by $36 million, or 88%, to $77 million, compared to $41 million for the three-month period ended March 31, 2021 driven by a positive year-on-year input cost inflation effect (timing), strong operational performance and cost control.

Corporate costs

Corporate costs reflect certain headquarter costs that have not been allocated to the segments. For the three-month period ended March 31, 2022, the Group incurred corporate costs of $4 million compared with $2 million for the three-month period ended March 31, 2021.

Capital Expenditure

	Three-month period ended March 31, 2022			Three-month period ended March 31, 2021		
	Europe	Americas	Group	Europe	Americas	Group
	$'m	$'m	$'m	$'m	$'m	$'m
Capital Expenditure	6	23	29	25	8	33

Capital expenditure is the sum of purchases of property, plant and equipment and software and other intangibles, net of proceeds relating to property, plant and equipment, as per the consolidated statement of cash flows. Capital expenditure in Europe for the three-month period ended March 31, 2022 is stated net of the insurance proceeds of $21 million from the exceptional flood event in the Erftstadt plant in Germany.

Liquidity and Capital Resources at March 31, 2022

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 March 31, 2022:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount/ liquidity
		Local currency 'm			Local currency 'm	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	694	—
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	394	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	246	31-Oct-24	Revolving	58	58	188
Lease Obligations	Various	—	—	Amortizing	—	88	—
Other Borrowings/credit lines	Various	—	—	Amortizing	—	6	—
Total borrowings / undrawn facilities						**2,990**	**188**
Deferred debt issue costs						(20)	—
Net borrowings / undrawn facilities						**2,970**	**188**
Cash and cash equivalents						(94)	94
Derivative financial instruments used to hedge foreign currency and interest rate risk						(7)	—
Net debt / available liquidity						**2,869**	**282**

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 renegotiated its Global Asset Based Loan Facility whereby the Facility limit was increased from $250 million to $330 million, effective from April 12, 2022, with an extension of the maturity date of the Facility to April 11, 2027.

The Group had $94 million in cash and cash equivalents and restricted cash as of March 31, 2022, as well as available but undrawn liquidity of $188 million under its credit facilities.

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 $190 million were sold under these programs at March 31, 2022 (December 31, 2021: $240 million).

Footnotes to the Selected Financial Information

(1) Adjusted EBITDA consists of a profit or loss for the period before income tax expense, net finance expense, depreciation and amortization, long-term performance-based plan 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 interim condensed consolidated statement of income. See Note 5 to the interim condensed consolidated financial statements for further details.

(3) Finance and interest expense is as presented in note 6.

(4) Long-term performance-based plan costs (expected to be payable in 2025) are included as part of the selling, general and administrative expenses in the interim condensed consolidated statement of income and are included in employee benefit obligations and part of other employee benefits as presented in Note 10.

(5) 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 interim condensed consolidated statement of cash flows on page 8.

(6) Cash and cash equivalents include restricted cash.

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

(8) 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.

(9) Net debt to LTM Adjusted EBITDA ratio at March 31, 2022 of 5.3x, is based on a net debt at March 31, 2022 of $2,869 million and LTM adjusted EBITDA of $544 million. Improvement in LTM adjusted EBITDA for the three-month period ended March 31, 2022 is driven partly by a positive year-on-year input cost inflation effect (timing). Net debt to LTM Adjusted EBITDA ratio at March 31, 2021 of 6.8x, is based on net debt at March 31, 2021 of $2,942 million and LTM Adjusted EBITDA for the period ended March 31, 2021 of $435 million (see operating and financial review section).

Net debt to pro-forma LTM adjusted EBITDA at March 31, 2022 of 5.2x, is based on a net debt at March 31, 2022 of $2,869 million and a pro-forma LTM adjusted EBITDA of $551 million. Pro-forma LTM adjusted EBITDA is calculated as full year 2021 adjusted EBITDA of $451 million plus at least $100 million of projected transformation benefits expected by December 2023.

Cautionary Statement Regarding Forward-Looking Statements

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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; and exceptional events. 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.


Black&
White
Vanilla Stout
ALC 5.5% VOL
TRIVIUM
PACKAGING
FRANCE
2016
BURGUNDY
BLEND
Pinot Noir
TRIVIUM
PACKAGING
Lotus
Water
MINERAL WATER with
BOTANICAL EXTRACTS
TRIVIUM
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