



# Report to Bondholders

For the year ended December 31, 2021



[triviumpackaging.com](http://triviumpackaging.com)

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# Presentation of Financial and Other Information

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Trivium Packaging B.V. was incorporated in the Netherlands on July 8, 2019. As used herein, “we”, “our”, “us”, “Trivium”, the “Company”, “Trivium Group” and the “Group” refer to Trivium Packaging B.V. and its consolidated subsidiaries, unless the context requires otherwise. The Group is a leading supplier of innovative, value-added, rigid metal packaging solutions. The Group’s products mainly include metal and aluminum containers primarily 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.

Ontario Teachers’ Pension Plan Board (“OTPP”), through one of its controlled entities, holds a stake of approximately 58 percent while Ardagh Group S.A (“Ardagh”) holds a stake of approximately 42 percent in the Group. Trivium is jointly controlled by OTPP and Ardagh.

## NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS – BASIS OF PREPARATION

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

These consolidated financial statements reflect the consolidation of the legal entities forming the Group for the years presented.

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

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

The preparation of consolidated financial information in conformity with IFRS requires the use of critical accounting estimates that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the process of applying Group accounting policies. These estimates and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. However, actual outcomes may differ from these estimates and judgments. The areas involving a higher degree of judgment or complexity, or areas where judgments and estimates are significant to the consolidated financial statements are discussed in the critical accounting estimates and judgments section within Note 2 of the consolidated financial statements.

The consolidated financial statements for the Group were authorized for issue by the Supervisory Board of Trivium Packaging B.V. on March 7, 2022.

## FORWARD LOOKING STATEMENTS

Certain of the statements contained in this Report to Bondholders that are not statements of historical facts, including, without limitation, certain statements made in “Selected Financial Information”, “Operating and Financial Review” and “Risk Factors” are statements of future expectations and other forward-looking statements. Forward looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “is expected to”, “will”, “will continue”, “should”, “would be”, “seeks”, “intends”, “plans”, “estimates” or “anticipates”, or similar expressions or the negatives thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans or intentions. These statements are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated by such statements. Factors that could cause such differences in actual results include:

- economic conditions, consumer confidence and spending patterns;
- competitive pressures of the markets in which we operate;
- our ability to realize the growth opportunities, cost savings and synergies that are anticipated from the continuous improvement efforts that we undertake;
- negative impact on worldwide economic activity from global pandemics;
- negative impact on worldwide economic activity as a result of geopolitical tensions;
- varied seasonal demands for food packaging products;
- fluctuations in the market price of metal packaging products;
- our ability to maintain relationships with our largest customers;
- risks related to continuing consolidation of our customer base;
- our ability to predict or fulfill consumer preferences or demand;
- sourcing of raw materials and other input costs across several jurisdictions;
- risks related to currency, interest rate fluctuation and commodity prices;
- risks related to pass-through of input costs;
- risks related to operating hazards at manufacturing facilities;
- our ability to fund ongoing capital expenditures;
- limited availability or increased cost of energy;
- risk of climate change and climate events affecting our ability to conduct business;
- compliance with law and regulations in multiple jurisdictions, including advertising, consumer protection, product requirements, planning, employment, environmental and other laws and regulations;
- changes in product requirements and their enforcement;
- legal complaints and litigation, including relating to personal injury, environmental litigation, litigation with contractual counterparties, intellectual property litigation, tax or securities litigation, and product liability;
- risks related to operating industrial sites close to urban areas;
- risks related to acquisitions;
- risks related to post-retirement and post-employment obligations to employees;
- organized strikes or work stoppages by unionized employees;
- failure of our product quality control systems;
- insufficient insurance coverage now or in the future;
- changes in agricultural subsidy rules;
- our key personnel and ability to retain our executive and senior management;
- risks related to the United Kingdom’s withdrawal from the E.U.;
- risks related to conducting operations in many different countries;
- theft or misappropriation or inappropriate utilization of our employees’ or business partners’ data;

- failure or disruption of technologies and automated systems relied on by our businesses; and
- our substantial debt could adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.

We undertake no obligations to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Report to Bondholders or to reflect the occurrence of unanticipated events, other than as required by law.

## Selected Financial Information

## SELECTED FINANCIAL INFORMATION

The following discussion should be read in conjunction with, and is qualified in its entirety by, reference to the non-statutory consolidated financial statements and the related notes thereto included in this document.

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

	Audited	
	(in \$ millions, except percentages)	
	Year ended December 31, 2021	Year ended December 31, 2020
<b>Income statement data</b>		
Revenue	2,757	2,656
Adjusted EBITDA <sup>(1)</sup>	451	405
Depreciation and amortization	(286)	(265)
Exceptional operating items <sup>(2)</sup>	(77)	(58)
Net finance expense <sup>(3)</sup>	(167)	(158)
Long-term performance-based plan <sup>(4)</sup>	(49)	(24)
Loss before tax	<b>(128)</b>	<b>(100)</b>
Income tax charge	(1)	(1)
Loss for the year	<b>(129)</b>	<b>(101)</b>
<b>Other data</b>		
Adjusted EBITDA margin <sup>(1)</sup>	16.4%	15.2%
Interest expense <sup>(5)</sup>	168	166
Capital expenditure <sup>(6)</sup>	94	139
Ratio of net debt to LTM Adjusted EBITDA <sup>(1)(9)(10)</sup>	6.0x	7.2x
<b>Balance sheet data</b>		
Cash and cash equivalents <sup>(7)</sup>	215	157
Total assets	5,280	5,535
Net borrowings <sup>(8)</sup>	2,931	3,030
Total equity	679	839
Net debt <sup>(9)</sup>	2,718	2,926

All footnotes are on page 12 of this document.



# Operating and Financial Review

## OPERATING AND FINANCIAL REVIEW

### Operating Results

The consolidated results for the three months and year ended December 2021 and December 2020 are presented below.

Reported Currency	Unaudited - Reported (in \$ millions, except percentages)			
	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
<b>Revenue</b>				
Europe	478	457	1,912	1,909
Americas	192	175	845	747
<b>Group</b>	<b>670</b>	<b>632</b>	<b>2,757</b>	<b>2,656</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>				
Europe	102	62	306	272
Americas	29	27	156	143
Corporate	(4)	(3)	(11)	(10)
<b>Group</b>	<b>127</b>	<b>86</b>	<b>451</b>	<b>405</b>
<b>Adjusted EBITDA margin <sup>(1)</sup></b>				
Europe	21.3%	13.6%	16.0%	14.2%
Americas	15.1%	15.4%	18.5%	19.1%
Corporate	n/a	n/a	n/a	n/a
<b>Group</b>	<b>19.0%</b>	<b>13.6%</b>	<b>16.4%</b>	<b>15.2%</b>

Constant Currency	Unaudited - Constant Currency (in \$ millions, except percentages)			
	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
<b>Revenue</b>				
Europe	478	451	1,912	2,000
Americas	192	177	845	749
<b>Group</b>	<b>670</b>	<b>628</b>	<b>2,757</b>	<b>2,749</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>				
Europe	102	62	306	286
Americas	29	27	156	143
Corporate	(4)	(3)	(11)	(10)
<b>Group</b>	<b>127</b>	<b>86</b>	<b>451</b>	<b>419</b>
<b>Adjusted EBITDA margin <sup>(1)</sup></b>				
Europe	21.3%	13.7%	16.0%	14.3%
Americas	15.1%	15.3%	18.5%	19.1%
Corporate	n/a	n/a	n/a	n/a
<b>Group</b>	<b>19.0%</b>	<b>13.7%</b>	<b>16.4%</b>	<b>15.2%</b>

All footnotes are on page 12 of this document.

**Review of the three months ended December 31, 2021***Group*

Revenue for the three months ended December 31, 2021 increased by \$38 million, or 6%, to \$670 million, compared to \$632 million for the three months ended December 31, 2020. Adjusted EBITDA for the three months ended December 31, 2021 increased by \$41 million, or 48%, to \$127 million, compared to \$86 million in the three months ended December 31, 2020. Excluding the slightly unfavorable foreign currency translation effects on revenue of \$4 million, revenue increased by \$42 million primarily due to higher pricing in 2021. Adjusted EBITDA increased by \$41 million, primarily due to the recognition of \$38 million of insurance recovery related to a cyber security and flooding incident earlier in the year and higher sales in the three months ended December 31, 2021.

*Europe*

Revenue for the three months ended December 31, 2021 increased by \$21 million, or 5%, to \$478 million, compared to \$457 million in the three months ended December 31, 2020. Revenue increased primarily due to higher selling prices due to passing through higher input costs and volume/mix effects. Adjusted EBITDA for the three months ended December 31, 2021 increased by \$40 million, or 65%, to \$102 million, compared with \$62 million in the three months ended December 31, 2020. This increase is largely due to the recognition of insurance recovery related to a cyber security and flooding incident earlier in the year amounting to \$38 million and favorable volume/mix effects.

*Americas*

Revenue for the three months ended December 31, 2021 increased by \$17 million or, 10%, to \$192 million, compared to \$175 million for the three months ended December 31, 2020. Revenue increased mostly related to higher selling prices due to passing through higher input costs partly offset by negative volume/mix effects in the North America food business. Adjusted EBITDA for the three months ended December 31, 2021 increased by \$2 million, or 7%, to \$29 million, compared with \$27 million in the three months ended December 31, 2020. The increase in Adjusted EBITDA is due to positive volume/mix effects partly offset by production inefficiencies.

**Review of the year ended December 31, 2021***Group*

Revenue for the year ended December 31, 2021 increased by \$101 million, or 4%, to \$2,757 million, compared to \$2,656 million for the year ended December 31, 2020. Adjusted EBITDA for the year ended December 31, 2021 increased by \$46 million, or 11%, to \$451 million, compared to \$405 million in the year ended December 31, 2020. Excluding the favorable foreign currency translation effects on revenue and adjusted EBITDA of \$93 million and \$14 million, revenue increased by \$8 million and Adjusted EBITDA increased by \$32 million.

*Europe*

Revenue for the year ended December 31, 2021 increased by \$3 million, to \$1,912 million or, nil %, compared to \$1,909 million in the year ended December 31, 2020. Revenue increased primarily due to favorable foreign currency effects and higher selling prices due to passing through higher input costs almost fully offset by lower volumes in the second and third quarter mainly driven by the cyber security incident. Adjusted EBITDA for the year ended December 31, 2021 increased by \$34 million, or 13%, to \$306 million, compared to \$272 million in the year ended December 31, 2020. The increase in Adjusted EBITDA is largely due to higher selling prices due to passing through higher input costs and insurance recovery income of \$41 million from the cyber security and flooding incidents during the third and fourth quarter, partly offset by lower sales and production inefficiencies in the second and third quarter as a result of the cyber security incident.

*Americas*

Revenue for the year ended December 31, 2021 increased by \$98 million or, 13%, to \$845 million, compared to \$747 million for the year ended December 31, 2020. The increase in revenue is primarily related to higher selling prices due to passing through higher input costs and favorable volume/mix effects. Adjusted EBITDA for the year ended December 31, 2021 increased by \$13 million or, 9%, to \$156 million, compared with \$143 million for the year ended December 31, 2020. The increase in Adjusted EBITDA is largely due to favorable volume/mix effects partly offset by production inefficiencies and unfavorable foreign currency impact in South America.

**Liquidity and Capital Resources at December 31, 2021**

Our principal sources of cash are cash generated from operations and external financings, including borrowings and other credit facilities. Our principal working capital 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 December 31, 2021.

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	—
<b>Total borrowings / undrawn facilities</b>						<b>2,953</b>	<b>240</b>
Deferred debt issue costs						(22)	—
<b>Net borrowings / undrawn facilities</b>						<b>2,931</b>	<b>240</b>
Cash and cash equivalents						(215)	215
Derivative financial instruments used to hedge foreign currency and interest rate risk						2	—
<b>Net debt / available liquidity</b>						<b>2,718</b>	<b>455</b>

The Group's business activities are exposed to a variety of capital, interest rate, currency exchange, commodity price, credit and liquidity risks. Please see Note 22 to the consolidated financial statements for further detail.

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 \$215 million in cash and cash equivalents as of December 31, 2021, as well as available but undrawn liquidity of \$240 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 \$240 million were sold under these programs as at December 31, 2021 (2020: \$217 million).

**Footnotes to the Selected Financial Information**

- (1) Adjusted EBITDA consists of loss for the year before income tax expense, net of 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 consolidated statement of income and presented in Note 4.
- (3) Includes exceptional finance income and expense.
- (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 consolidated statement of income and are included in employee benefit obligations and part of other employee benefits as presented in Note 17.
- (5) Interest expense is as defined in Note 5.
- (6) Capital expenditure is the sum of purchases of property, plant and equipment and intangible assets, net of proceeds from disposal of property, plant and equipment, as per the consolidated statement of cash flows on page F-10.
- (7) Cash and cash equivalents include restricted cash as per Note 14.
- (8) Net borrowings comprise non-current and current borrowings net of deferred debt issue costs.
- (9) 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.
- (10) Net debt to Adjusted EBITDA ratio at December 31, 2021 of 6.0x, is based on net debt at December 31, 2021 of \$2,718 million and Adjusted EBITDA for the year ended December 31, 2021 of \$451 million. Net debt to Adjusted EBITDA ratio at December 31, 2020 of 7.2x, is based on net debt at December 31, 2020 of \$2,926 million and Adjusted EBITDA for the year ended December 31, 2020 of \$405 million (see operating and financial review section).  
Net debt to pro-forma LTM Adjusted EBITDA at December 31, 2021 of 4.9x is based on net debt at December 31, 2021 of \$2,718 million and 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.

# Supervisory Board, Management Board and Senior Management

## SUPERVISORY BOARD, MANAGEMENT BOARD AND SENIOR MANAGEMENT

### Supervisory Board and Management Board

Trivium Packaging B.V. has a dual tier board structure consisting of a Supervisory Board and a Management Board. The following sets forth certain information with respect to the role and members of the Supervisory Board and Management Board of Trivium Packaging B.V. as of March 7, 2022, the approval date of this Report to Bondholders.

#### *Supervisory Board*

The Supervisory Board supervises the general affairs and operations of Trivium, including the policies and guidelines of the Company's management board.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Shaun Murphy	55	Chairman and Supervisory Director
Rick Frier	60	Vice-Chairman and Supervisory Director
Debra Kelly-Ennis	65	Supervisory Director
Claude Marbach	53	Supervisory Director
Ashfaq Qadri	40	Supervisory Director
Amanda Sourry	58	Supervisory Director
Blake Sumler	51	Supervisory Director
John Sheehan	56	Supervisory Director

#### *Management Board*

The Management Board is responsible for the day-to-day management of Trivium. This is done consistent with the policies and guidelines provided for such management by the Supervisory Board.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Michael Mapes	44	Chief Executive Officer and Director
Stefan Siebert	54	Chief Financial Officer and Director
Charlotte van Meer	42	Chief Legal Officer and Director

## **Supervisory Board Members**

### *Shaun Murphy*

Shaun Murphy is Chairman and Supervisory Director of Trivium and also serves as chair of the Compensation Committee. He was appointed Chief Operating Officer and Director of the Ardagh Group S.A. in 2019. He is also Chairman of Ardagh Group's Sustainability Committee and Vice Chairman of Ardagh Metal Packaging S.A. Prior to joining Ardagh, Mr. Murphy was a partner at KPMG for almost 20 years and completed a six-year term as Managing Partner of KPMG in Ireland in 2019. Mr. Murphy also served as the Lead Director on KPMG's Global Board from 2015 to 2019.

### *Rick Frier*

Rick Frier is Vice-Chairman and Supervisory Director of Trivium and also serves as chair of the Audit Committee. He currently sits on the board of Whitehorse Finance Inc., US Salt Corp. and previously served as Chairman of Exal Corporation and Chairman for Shearer's Food Inc. and board member of Affinion Holdings Group. Prior to the formation of Trivium, Mr. Frier served as Chief Financial Officer of Chiquita Brands International and was responsible for all aspects of the company's worldwide financial operations as well as leading two business units. Mr. Frier was also Chief Financial Officer at Catalina Marketing Corporation and Mattress Discounters Inc. Mr. Frier holds a Master of Business Administration degree from Claremont Graduate University and a Bachelor of Science in Business Administration degree from the University of Southern California.

### *Debra Kelly-Ennis*

Debra Kelly-Ennis is a Supervisory Director of Trivium. She is a seasoned and innovative marketing and operating executive with broad experience across multiple industries. She was President and Chief Executive Officer of Diageo Canada Inc., a subsidiary of Diageo plc, a global spirits, wine and beer company, from 2008 to 2012. She also served as Chief Marketing Officer for Diageo North America Inc. from 2005 to 2008. Ms. Kelly Ennis has held marketing, sales and general management positions with RJR Nabisco, Inc., The Coca-Cola Company, General Motors Co. and Grand Metropolitan plc. Ms. Kelly-Ennis is a non-executive director for other public and private companies, including Altria Group, Schreiber Foods and TFI International. She also serves as Director Emeritus of Dress for Success Worldwide. Ms. Kelly-Ennis received her MBA from the University of Houston and her B.S. in Education from the University of Texas at Austin. She was named one of the "Top 100 Most Powerful Women in Canada" in 2009, 2010, 2011 and 2012.

### *Claude Marbach*

Claude Marbach is a Supervisory Director of Trivium. He is the Chief Executive Officer of the North American Metal Beverage Division of Ardagh Group. He has been in this role since 2015. He was also the CEO of the North American Food & Specialty Metal Division for two years prior to this being acquired by Trivium. Mr. Marbach started his career in 1990 as a summer intern and progressed through numerous leadership positions, including key roles across engineering, operations, strategy, finance, marketing, purchasing and sales. Mr. Marbach has a Bachelors' Degree in Industrial and Mechanical Engineering from Hautes Etudes Industrielles, in Lille, France and a Master of Management in Marketing and Strategy from Kellogg Graduate School of Management at Northwestern University.

### *Ashfaq Qadri*

Ashfaq Qadri is a Supervisory Director of Trivium. He joined Ontario Teachers' in 2016 and has extensive experience in private equity. At Ontario Teachers', he leads new deal execution and portfolio management for direct private equity investments in the industrials sector. He currently serves on the boards of various Ontario Teachers' portfolio companies, besides Trivium, including The AZEK Company, Stone Canyon Industries Holdings and TricorBraun Holdings. Prior to joining Ontario Teachers', Mr. Qadri was a Vice President at Morgan Stanley Private Equity, with roles based in both New York and London. He previously also worked in Morgan Stanley's investment banking division in New York. Mr. Qadri received a Bachelor of Arts degree from Amherst College and graduated with a double major in Computer Science and Economics.



*Amanda Sourry*

Amanda Sourry is a Supervisory Director of Trivium. She brings significant leadership experience from a premier consumer products company having worked for Unilever for over 30 years before retiring as President Unilever North America at the end of 2019. Prior to that she held the roles of President Unilever Global Foods, Executive Vice President Global Haircare and Executive Vice President Unilever UK & Ireland. She has a track record of driving sustainable, profitable growth at scale operating companies and global categories across both developed and emerging markets. Ms. Sourry also serves as a non-executive director on the boards of Kroger, PVH Corp. and OFI. She has a MA (Hons) from the University of Cambridge.

*Blake Sumler*

Blake Sumler is a Supervisory Director of Trivium. He is the Managing Director of Diversified Industrial and Business Services in the Private Capital group at Ontario Teachers' Pension Plan Board ("OTPP"). He joined OTPP in 2013 and has worked in private equity for more than 15 years. At OTPP, Mr. Sumler leads the Diversified Industrials and Business Services team and sits on boards of directors of portfolio companies including PODS, GFL Environmental, TricorBraun, Logoplaste and Vantage. Previously, he was a Senior Vice President at Callisto Capital, a mid-market Toronto based private equity firm focused on buyouts and growth capital investments in Canada. Prior to that his varied work experience included investment management at a hedge fund, equity research and debt syndication. Mr. Sumler is a CPA and a CFA charter holder. He holds a BA (Chartered Accounting) and a Master of Accounting from the University of Waterloo. Additionally, he is a graduate of the Institute of Corporate Directors.

*John Sheehan*

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

Paul Coulson and David Matthews stepped down from the Supervisory Board during 2021.

### **The Supervisory Board Committees**

The Supervisory Board of Trivium has established an Audit Committee and a Compensation Committee to carry out certain functions as described below.

*Audit Committee*

The Audit Committee consists of Rick Frier, Debra Kelly-Ennis, Ashfaq Qadri and John Sheehan, with Rick Frier serving as its chair. The Audit Committee (i) reviews the reliability and integrity of the Group's accounting policies, financial statement reporting practices and consolidated financial statements, (ii) oversees and reviews the Group's independent auditor and internal audit functions, (iii) reviews the Group's compliance with applicable laws and regulations in so far as they relate to the consolidated financial statements and accounting and auditing practices and (iv) reviews certain related-party transactions within the Group.

Shaun Murphy and David Matthews stepped down from the Audit Committee and John Sheehan was appointed as an Audit Committee member during 2021.

### *Compensation Committee*

The Compensation Committee consists of Shaun Murphy, Amanda Sourry, Blake Sumler, Ashfaq Qadri and John Sheehan, with Shaun Murphy serving as its chair. The Compensation Committee (i) determines the compensation of the CEO and the Supervisory Board members of the Group, (ii) evaluates the performance of the CEO, the Management Board members, the Senior Management team and the Senior Directors and Officers of Group companies and reviews and approves their compensation and (iii) oversees and administers the management incentive plans of the Group.

During 2021, Paul Coulson stepped down from the Compensation Committee and Shaun Murphy was appointed as new chair of Compensation Committee.

### **Management Board Members**

#### *Michael Mapes*

Michael Mapes is the Chief Executive Officer of Trivium. Over the past 15 years, he has been leading packaging businesses globally. Prior to Trivium Packaging, he was CEO at Exal Corporation where he led the transformation of the company into the global leader in premium aluminum packaging. Mr. Mapes was also President at Disentis Global Partners and held senior leadership roles at Greif for approximately 10 years. Previously, he was a management consultant with McKinsey & Company as well as with Mercer Management Consulting (now Oliver Wyman).

Mr. Mapes is a graduate of Northwestern University where he received his B.S. in Industrial Engineering. In addition, he attended Harvard Business School (GMP) and the London Business School (SEP). He is a member of the Young Presidents' Organization (YPO).

#### *Stefan Siebert*

Stefan Siebert is the Chief Financial Officer of Trivium. Prior to the formation of Trivium, Mr. Siebert was Chief Financial Officer of Ardagh Metal Packaging and previously served as Chief Financial Officer of the Metal Europe division of Ardagh Group. In 2016 he played a lead role in the Beverage Can acquisition and its transformation within Ardagh Metal Packaging. Prior to that, Mr. Siebert held a variety of finance roles in Ardagh Group, including Division Controller for the Specialties business between 2001 and 2011. Mr. Siebert joined Schmalbach-Lubeca in 1984. He has a diploma in Business Administration from the University of Applied Sciences in Rendsburg, Germany. Mr. Siebert is a graduate of IMD Business School (AEDP) and London Business School (Corporate Finance).

#### *Charlotte Van Meer*

Charlotte Van Meer is the Chief Legal Officer of Trivium. Ms. Van Meer is a legal executive with more than 15 years of experience, who has worked as an external counsel and also held various in-house roles. Prior to joining Trivium, she held different senior leadership positions at AkzoNobel, such as Head of Legal EMEA, Director Legal Corporate and Corporate Secretary to the supervisory board and management board. Prior to that, she was an associate at Dutch law firm De Brauw Blackstone Westbroek. Her areas of expertise include corporate governance, mergers and acquisitions, divestments, finance transactions, commercial and procurement contracts and compliance. Ms. Van Meer is admitted to the Dutch bar. She graduated from Leiden University, the Netherlands, with a double major in Business and Civil Law and she obtained an LL.M degree in Corporate Governance at Stanford University, CA, USA.

Charlotte Van Meer was appointed as a member of the Management Board in 2021.

## Senior Management of the Group

### *Robert Huffman*

Robert Huffman is Trivium's Chief Growth Officer, leading Global Key Accounts, Strategy & Business Development and Commercial Excellence. Previously at Exal Corporation, Mr. Huffman helped architect the Exal Business System approach to drive transformational change while also resetting Exal's strategy to better align with its competitive advantages. His last role at Exal was Chief Commercial Officer where he led all commercial, innovation and strategy efforts. He has approximately 9 years of experience in the packaging industry, including his role as Vice President of Transformation and Director of PMO at Greif. Prior to Greif, Mr. Huffman spent 7 years as a strategy consultant for McKinsey & Company where he architected and led company-wide strategic and operational improvement initiatives. Mr. Huffman holds an MBA from Northwestern University in addition to a Masters in Accountancy and BSBA from The Ohio State University.

### *Jens Irion*

Jens Irion is the President of the Americas segment of Trivium. Prior to the formation of Trivium, Mr. Irion was Chief Commercial Officer of Ardagh Metal Packaging North America, after holding a number of business development and strategy roles at Ardagh Group and Rexam Plc. Previously, he was a Senior Principal at Boston Consulting Group, where he focused on clients in the industrial goods sector. He holds an MBA from MIT Sloan School of Management and a master's degree in Industrial Engineering from Karlsruhe Institute of Technology.

### *Georg Kasperkovitz*

Georg Kasperkovitz is the President of the Europe segment of Trivium. He has gained more than 25 years of industrial work experience, in CxO roles and as consultant and partner with McKinsey & Company, Inc. Before joining Trivium Packaging, Mr. Kasperkovitz was at Mondi's global flexible plastic packaging business where he was CEO Consumer Packaging. Prior to that, he was a member of Rail Cargo Austria AG's executive management (CFO & COO) where he successfully implemented the turnaround program he had shaped as a consultant. In addition, since 2016, he has served as a member of the supervisory Board of SBB CFF FFS, Switzerland. He also founded and developed a successful real estate company which he sold prior to joining Trivium. Mr. Kasperkovitz holds a master and doctorate in mechanical engineering from the Vienna University of Technology and an MBA from Harvard Business School.

### *Andrew Vanstone*

Andrew Vanstone is the Chief Procurement Officer of Trivium. He has over 25 years of experience across business and functional executive roles in the packaging industry. Prior to Trivium, he worked at Amcor, a global leader in flexible packaging. There he held senior roles in Procurement, Sales and Marketing, Sustainability and led Amcor's Australasian Folding Cartons business for 7 years. Mr. Vanstone was also central to the development of Amcor's successful Commercial Excellence program. He spent his final 7 years at Amcor shaping Amcor Procurement, as Vice President Global Procurement. There, he developed and lead a companywide procurement transformation program to achieve best in class procurement excellence and helped drive record profit impact for the company. Prior to Amcor, Mr. Vanstone held various positions in Sales, Engineering and Supply Chain at TRW and General Motors. Mr. Vanstone holds degrees from the University of South Australia in Mechanical Engineering and Business Administration and holds a Master in Accounting & Finance of the University of Southern Queensland.

### *Jenny Wassenaar*

Jenny Wassenaar is the Chief Sustainability Officer of Trivium. She has spent almost 15 years as an experienced executive in business management and sustainability. Prior to joining Trivium, she was Sustainability & Compliance Director at Avery Dennison. Previously, she held various senior positions at Avery Dennison and Shell for almost 10 years. Ms. Wassenaar has a bachelor's degree in Psychology and a master degree in Industrial Engineering and Management from the University of Twente, the Netherlands.

*Rob van Wingerden*

Rob van Wingerden is the Chief People Officer of Trivium. He has more than 25 years of experience as an executive in human resources. Prior to joining Trivium Packaging, he was Vice President International HR at Danaher Corporation for more than 10 years. Previously, he held various international executive positions at Oshkosh Corporation, Monster.com and Philips Electronics. Mr. van Wingerden holds a Master's degree from the Bristol University, a post-doctoral degree Business Science from the Utrecht University as well as a degree from IMD Business School (Executive MBA Program).

## Major Shareholders

## MAJOR SHAREHOLDERS

### Major Shareholders

#### The Issuer

Trivium Packaging Finance B.V. is the Issuer of the Group's Senior Secured and Senior Notes as detailed in Note 16 to the consolidated financial statements. Trivium Packaging Finance B.V.'s shareholder is Trivium Packaging B.V., a joint venture between Ontario Teachers' Pension Plan Board and Ardagh Group S.A. with an approximate 58% shareholding held by Ontario Teachers' Pension Plan Board, through one of its controlled entities, and an approximate 42% shareholding held by Ardagh Group S.A.

### Related Party Transactions

#### Mutual Services Agreement

The Trivium Group has a Mutual Services Agreement ("MSA"), with Ardagh Group S.A. pursuant to which Ardagh Group S.A. and Trivium and its subsidiaries provided services to each other. The services generally relate to administrative support and include accounting and treasury activities, tax reporting, procurement and logistics, R&D, product development and certain IT services. The MSA provides for the sharing of certain facilities leased by Ardagh in connection with the provision of services, with appropriate segregations in place between the Trivium Group and Ardagh entities. The remaining services in 2021 primarily related to accounting, tax reporting and certain IT services.

# Risk Factors

## RISK FACTORS

### Risks Relating to Our Business

*Our customers sell to consumers of food, seafood, pet food, paints and coatings, beverage, home care and industrial, vitamins and supplements, pharmaceutical and nutrition, as well as beauty and personal care. If economic conditions affect consumer demand, our customers may be affected, thus reducing the demand for our products.*

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

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

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

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

Furthermore, the economic outlook could be adversely affected by the risk that one or more eurozone countries could leave the European Monetary Union, or the euro as the single currency of the eurozone could cease to exist. Any of these developments, or the perception that any of these developments are likely to occur, could have a material adverse effect on the economic development of the affected countries and could lead to severe economic recession or depression, and a general anticipation that such risks will materialize in the future could jeopardize the stability of financial markets or the overall financial and monetary system. This, in turn, would have a material adverse effect on our business, financial position, liquidity and results of operations.

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

The metal packaging sectors in which we operate are mature, experiencing limited growth in demand in recent years and are competitive. Competition in the market for customized, differentiated packaging is based on price and, increasingly, on innovation, design, quality and service. The most competitive aspect of the metal packaging market is the sale of undifferentiated, standardized food cans. Prices for these products are primarily driven by raw material costs and seasonal capacity. Our principal competitors include Crown Holdings, Silgan Holdings, Ball Metalpack, Eviosys, CCL Container and Moravia Cans. To the extent that any one or more of our competitors become more successful with respect to any key competitive factor, our ability to attract and retain customers could be materially and adversely affected, which could have a material adverse effect on our business.



We are subject to substantial competition from producers of packaging made from plastic, carton and composites, particularly from producers of plastic packaging and flexible packaging. Changes in consumer preferences in terms of food processing (e.g. fresh or frozen food content and dry versus wet pet food) or in terms of packaging materials, style and product presentation can significantly influence sales. An increase in our costs of production or a decrease in the costs of, or a further increase in consumer demand for, alternative packaging could have a material adverse effect on our business, financial condition and results of operations.

***We may not realize the growth opportunities, cost savings and synergies that are anticipated from the continuous improvement efforts that we undertake.***

We may not realize all of the cost savings and synergies we expect to achieve from our current operational improvement initiatives due to a variety of risks, including, but not limited to, our ability to reduce headcount, eliminate duplicative overhead and functions, difficulties in rationalizing manufacturing capacity and integrating shared services within our business, higher than expected employee severance or retention costs, higher than expected overhead expenses and expenses related to facilities closures, delays in the anticipated timing of activities related to our cost savings plans and other unexpected costs associated with operating our business. If we are unable to achieve the cost savings or commercial synergies that we expect to achieve from our operational improvement initiatives, or if the implementation of these initiatives adversely affect our operations or cost more or take longer to effectuate than we expect, it could adversely affect our business, financial condition and results of operations.

***COVID-19 and/or other global pandemics may have a negative impact on worldwide economic activity and some of our business.***

A pandemic e.g. COVID-19 and measures to prevent its spread, including restrictions on travel, imposition of quarantines and prolonged closures of workplaces and other businesses, may impact our business in a number of ways.

A pandemic may reduce global economic activity resulting in lower demand for our customers' products and, therefore, the products we manufacture. It may have an adverse affect on some of our operations, including disruptions to our supply chain and workforce. Although our production has not been significantly impacted to date by the recent COVID-19 pandemic, in general pandemics may require our plants to curtail or cease production in response to the spread of the pandemic. A pandemic may also have an impact on capital markets which could impact our cost of borrowing. In addition, our customers, distribution partners, service providers or suppliers may experience financial distress, file for bankruptcy protection, go out of business, or suffer disruptions in their business due to the outbreak of a pandemic, which would have a negative impact on our business. The extent of the impact of a pandemic on our business and results of operations may be uncertain.

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

If a pandemic continues unabated despite containment efforts, it could cause a severe economic slowdown and potentially an extended recession or depression, which would adversely affect the demand for some of our products or cause other unpredictable events, each of which would adversely affect our business, results of operations or financial condition.

***Our profitability could be affected by varied seasonal demands.***

Demand for some of our products is seasonal. The Food business sales are typically greater in the second and third quarters of the year, with generally lower sales in the first and fourth quarters. Weather conditions can reduce crop yields and adversely affect customer demand for fruit and vegetable cans. Demand for our seafood packaging is also affected by variations in local fish catches. The variable nature of the food and seafood packaging businesses and our vulnerability to natural conditions could have a material adverse effect on our business, financial condition and results of operations. The Aerosols business typically has its lowest sales in the third quarter.

***An increase in metal packaging and aerosol container manufacturing capacity without a corresponding increase in demand for metal packaging could cause prices to decline, which could have a material adverse effect on our business, financial condition and results of operations.***

The profitability of metal packaging companies is heavily influenced by the supply of, and demand for, metal packaging.

We cannot assure you that metal packaging and aerosol container manufacturing capacity in any of our markets will not increase further in the future, nor can we assure you that demand for metal packaging will meet or exceed supply. If metal packaging and aerosol container manufacturing capacity increases and there is no corresponding increase in demand, the prices we receive for our products could materially decline, which could have a material adverse effect on our business, financial condition and results of operations.

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

For the year ended December 31, 2021, the Group's ten largest customers accounted for approximately 40% of its revenues.

We believe our relationships with these customers are good, but there can be no assurance that we will be able to maintain these relationships. For Trivium, approximately 81% of revenues are under multi-year supply agreements of varying terms between two and ten years, with the remaining revenues generally under one-year agreements. Although these arrangements have provided, and we expect they will continue to provide, the basis for long-term partnerships with our customers, there can be no assurance that our customers will not cease purchasing our products. If our customers unexpectedly reduce the amount of metal cans they purchase from us, or cease purchasing metal cans altogether, our revenues could decrease and our inventory levels could increase, both of which could have an adverse effect on our business, financial condition and results of operations. In addition, while we believe that the arrangements that we have with our customers will be renewed, there can be no assurance that such arrangements will be renewed upon their expiration or that the terms of any renewal will be as favorable to us as the terms of the current arrangements. There is also the risk that our customers may shift their filling operations to locations in which we do not operate. The loss of one or more of these customers, a significant reduction in sales to these customers or a significant change in the commercial terms of our relationship with these customers could have a material adverse effect on our business.

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

Some of our largest customers have acquired companies with similar or complementary product lines. Such consolidation has increased the concentration of our net sales with our largest customers and may continue in the future. In many cases, such consolidation may be accompanied by pressure from customers for lower prices. Increased pricing pressures from our customers may have a material adverse effect on our business, financial condition and results of operations. In addition, this consolidation may lead manufacturers to rely on a reduced number of suppliers. If, following the consolidation of one of our customers with another company, a competitor was to be the main supplier to the consolidated companies, this could have a material adverse effect on our business, financial condition or results of operations.

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

Changes in consumer preferences and tastes can have an impact on demand for our customers' products, which in turn can lead to reduced demand for our products.

Certain end products represent a significant proportion of our packaging market. In the past, the occurrence of diseases such as bovine spongiform encephalopathy and swine fever have sometimes led to reduced demand for associated canned products, such as sauces, soups and ready meals, and publicity about the supposed carcinogenic effect of coatings used on some cans may have affected sales of canned products.

Any decline in the popularity of these product types as a result of lifestyle, nutrition, health considerations or consumer taxation could have a significant impact on our customers and could have a material adverse impact on our business, financial condition and results of operations.

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

The raw materials that we use have historically been available in adequate supply from multiple sources. For certain raw materials, however, there may be temporary shortages due to transportation, production delays impacting supplier plant output, pandemic outbreaks, including COVID-19, geopolitical conflicts, weather conditions, or other factors. In such an event, no assurance can be given that we would be able to secure our raw materials from sources other than our current suppliers on terms as favorable as our current terms, or at all. Any such shortages, as well as significant increases in the cost of any of the principal raw materials that we use, including such shortages or material increases resulting from the introduction of tariffs, such as the introduction of tariffs of 10% on aluminum imports into the United States in 2018, which remain in effect, could have a material adverse effect on our business, financial condition and results of operations. Further tariffs, sanctions, duties, other trade actions or increases in input costs, could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the relative price of oil and its by-products may impact our business, by affecting transport, coatings, lacquer and ink costs.

The primary raw materials that we use are steel (both in tinplate and tin-free forms) and aluminum. Steel is generally purchased under one-year contracts with prices that are usually fixed in advance. When such contracts are renewed in the future, our steel costs under such contracts will be subject to prevailing global steel prices at the time of renewal, which may be different from historical prices. The hedging market for steel, and in particular that for coking coal, is a new market with limited depth and, as a consequence, there might be limitations on our ability to hedge steel input prices.

In the European operations, aluminum is generally purchased under three-year contracts. In contrast, our Americas operations typically purchases aluminum at spot market index rates. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/euro rate also affect the euro cost of aluminum ingot. In contrast to steel, the hedging market for aluminum is well-developed and its depth does not pose a limitation on the ability to place hedges in the market. The European business has historically hedged its aluminum exposure, while the Americas business has not. We expect this trend to continue for our operations going forward, due to the pricing preferences of our customers. Our business is exposed to both the availability of aluminum and the volatility of aluminum prices, including associated premiums. While raw materials are generally available from independent suppliers, raw materials are subject to fluctuations in price and availability attributable to a number of factors, including general economic conditions, commodity price fluctuations (with respect to aluminum on the London Metal Exchange), the demand by other industries for the same raw materials and the availability of complementary and substitute materials. Adverse economic or financial changes could impact our suppliers, thereby causing supply shortages or increasing costs for our business.

While the majority of our sales to customers are made via sales contracts which include provisions enabling us to pass-through increases in certain input costs, we may not be able to pass on all or substantially all raw material price increases, now or in the future. In addition, we may not be able to hedge successfully against raw material cost increases. Furthermore, steel and aluminum prices are subject to considerable volatility in price and demand. While in the past sufficient quantities of steel and aluminum have been generally available for purchase, these quantities may not be available in the future, and, even if available, we may not be able to continue to purchase them at current prices. Further increases in the cost of these raw materials could adversely affect our operating margins and cash flows.

The supplier industries from which we receive our raw materials are relatively concentrated, and this concentration can impact raw material costs. Over the last ten years, the number of major steel and aluminum suppliers has decreased and further consolidation could hinder our ability to obtain adequate supplies of these raw materials, potentially leading to higher prices for steel and aluminum.

The failure to obtain adequate supplies of raw materials or future price increases could have a material adverse effect on our business, financial condition and results of operations.

***Our supply-chain and operations could be affected by the recent Russia-Ukraine conflict.***

Certain raw materials, energy sources and availability of transportation are vital to our operations, and future availability of raw materials, energy and transportation could have a material adverse effect, directly or indirectly, on our supply chain and operating costs, and in turn, our business, financial condition and results of operations. For instance, whilst our operations in either country is less than 1% of our total assets and revenue, the conflict between Russia and Ukraine has resulted in regional instability and the introduction of heightened economic sanctions against Russia by the international community. These and any additional sanctions and export controls, as well as any counter-responses by the governments of Russia or other jurisdictions will increase uncertainty with respect to the global economy and financial markets and could lead to a significant increase in our energy and raw material input costs, as well as limiting their availability. Specifically, these counter-responses could be as a result of uncertainties with regard to Russia's production and export of oil and gas, aluminum and other materials.

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

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

We have production facilities in 20 different countries worldwide. We also sell products to, and obtain raw materials from, companies located in these and different regions and countries globally. As a consequence, a significant portion of our consolidated revenue, costs, assets and liabilities are denominated in currencies other than the euro, particularly the U.S. dollar, the British pound, the Brazilian real and the Argentine peso. The exchange rates between the currencies which we are exposed to, such as the euro, the U.S. dollar, the British pound, the Brazilian real and the Argentine peso, have fluctuated significantly in the past and may continue to do so in the future.

In our European operations, we incur currency transaction risks primarily on metal purchases (or the hedging of those purchases), as metal prices are denominated in U.S. dollars, and on revenue denominated in currencies other than the euro supplied from facilities in euro-participant territories (or the hedging of those sales).

In addition to currency transaction risk, we are subject to currency translation risk. Our policy is, where practical, to match net investments in foreign currencies with borrowings in the same currency. Fluctuations in the value of these currencies with respect to the euro may have a significant impact on our financial condition and results of operations.

Changes in exchange rates can affect our ability to purchase raw materials and sell products at profitable prices, reduce the value of our assets and revenues, and increase liabilities and costs.

We are also exposed to interest rate risk. Fluctuations in interest rates may affect our interest expense on the Global Asset Based Loan ("ABL") Facility, (non-recourse) factoring facilities and the Senior Secured Euro Floating Rate Notes and the cost of new financing. We use cross-currency interest rate swaps to manage this risk, but sustained increases in interest rates could nevertheless materially adversely affect our business, financial condition and results of operations.

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

The majority of our sales to customers are made via sales contracts which include provisions enabling us to pass-through increases in certain input costs, generally for steel or aluminum, which help us reduce margin volatility due to changes in raw material costs, and in certain instances for conversion costs such as energy and labor. However, there is no assurance that we will be in a position to fully recover increased input costs from all of our customers.

***Our manufacturing facilities are subject to operating hazards.***

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

***Our business requires ongoing capital expenditures, which we may be unable to fund.***

Our business requires ongoing capital expenditures. We may not be able to make such capital expenditures if we do not generate sufficient cash flow from operations, have funds available for borrowing under our Global ABL Facility to cover these capital expenditure requirements or if we were restricted from incurring additional debt to cover such expenditures or as a result of a combination of these factors. If we are unable to meet our capital expenditure plans, we may not be able to maintain our manufacturing capacity, which may negatively impact our competitive position and, ultimately, our revenues and profitability.

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

We use natural gas and electrical power to manufacture our products. These energy sources are vital to our operations and we rely on a continuous power supply to conduct our business. Energy prices are subject to considerable volatility. The impact of Europe's dependence on Russia for natural gas supply has been evident by the extreme rise in price, as a result of reduced gas flows in the second half of 2021 arising from political tensions between Russia and Ukraine. We are not able to predict to what extent energy prices will vary in the future. If energy costs increase in the future, we could experience a sizeable increase in operating costs, which could, if we are not able to recover these costs increases from our customers through selling price increases, have a material adverse effect on our business, financial condition and results of operations. Our policy is, where practical, to enter into energy forward purchase contracts to cover a majority of the upcoming 12-month forecast energy consumption for the Group and evaluate the viability of longer-term agreements for subsequent years.

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

There is a growing concern that carbon dioxide and other greenhouse gases ("GHG") in the atmosphere may have an adverse impact on global temperatures, weather and precipitation patterns and the frequency and severity of extreme weather and natural disasters. The impact of climate change may over time affect our operations and the markets in which we operate. This could include changes in weather, resulting in damages to plant assets from climate events e.g. flooding incidents as a result of heavy rainfalls, reduced availability of inputs such as water, or increased costs of such inputs, and/or transitional risks such as technological development, policy and regulatory change, and market and economic responses. Measures to address climate change through laws and regulations, for example by requiring reductions in emissions of GHGs could create economic risks and uncertainties for our businesses, by increasing the cost of purchasing allowances or credits to meet emissions caps, the cost of abatement equipment to reduce emissions to comply with reduced GHG limits or required technological standards, as well as reduced demand for the Group's products. Such changes could increase our production costs and adversely impact our financial performance.

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

Our operations and properties are subject to extensive laws, ordinances, regulations and other legal requirements relating to environmental protection. Such laws and regulations which may affect our operations include, among others, requirements regarding remediation of contaminated soil, groundwater and buildings, water supply and use, natural resources, water discharges, air emissions, waste management, noise pollution, asbestos and other deleterious materials, the generation, storage, handling, transportation and disposal of regulated materials, product safety and workplace health and safety. Such laws and regulations are also subject to constant review by lawmakers and regulators which may result in further environmental legal requirements.

We have incurred, and expect to continue to incur, costs to comply with such legal requirements, and these costs are likely to increase in the future. Inquiries and enforcement by other regulators, including demands for more stringent pollution control devices could also result in the need for further capital upgrades to our plant operations at substantial cost. We require a variety of permits to conduct our operations, including operating permits such as those required under various U.S. laws, including the federal Clean Air Act and the E.U. Industrial Emissions Directive, water and trade effluent discharge permits, water abstraction permits and waste permits. Failure to obtain and maintain the relevant permits, as well as non-compliance with such permits, could have a material adverse effect on our business, financial condition and results of operations.

If we were to violate or fail to comply with these laws and regulations or our permits, we could be subject to criminal, civil and administrative sanctions and liabilities, including substantial fines and orders, or a partial or total shutdown of our operations.

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

Sites at which we operate often have a long history of industrial activities and may be, or have been in the past, engaged in activities involving the use of materials and processes that could give rise to contamination and result in potential liability to investigate or remediate, as well as claims for alleged damage to persons, property or natural resources. Liability may be imposed on us as owners, occupiers or operators of contaminated facilities. These legal requirements may apply to contamination at sites that we currently or formerly owned, occupied or operated, or that were formerly, owned, occupied or operated by companies we acquired or at sites where we have sent waste offsite for treatment or disposal. Our closure of a site may accelerate the need to investigate and remediate any contamination at the site.

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

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

Additionally, the effectiveness of new standards such as the ones related to recycling or deposits on different packaging materials could result in excess costs or logistical constraints for some of our customers who could choose to reduce their consumption and even terminate the use of metal packaging for their products. We could thus be forced to reduce, suspend or even stop the production of certain types of products.

Environmental concerns could lead E.U. or U.S. bodies to implement other product regulations that are likely to be restrictive for us and have a material negative impact on our business, financial condition and results of operations. There is significant variation, among countries where we sell our products, in the limitation on certain constituents in packaging, which can have the effect of restricting the types of raw materials we use. In turn, these restrictions can increase our operating costs, such as increased energy consumption, and the environmental impacts of our operations.

Other emerging changes, such as restrictions on bisphenol A (“BPA”) in coatings for some of our products, which have been proposed in the E.U. and some of its member states, will have material consequences on our design processes, and we are therefore closely monitoring such regulatory developments. To manage this risk Trivium investigates proactively what can be done to meet emerging regulations through a cross functional task force.

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

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

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

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

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

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

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

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

***We may incur unforeseen risks and costs relating to acquisitions.***

We may acquire other businesses from time to time. Risks associated with acquisitions include, for example, that our assessment of the acquisition target proves to be incorrect; we may become exposed to legal, market or other risks associated with the new business; there may be difficulties in conforming the acquired company’s information systems, accounting, books and records, procedures and policies to ours and it may prove difficult to retain the loyalty and business of the customers of the acquired business. Any failure by us to successfully integrate an acquired business may have a material adverse effect on our business, financial condition and results of operations.

***We face costs associated with our post-retirement and post-employment obligations to employees which could have an adverse effect on our financial condition.***

As of December 31, 2021, the Group's post-retirement benefit obligation was approximately \$339 million. The additional costs associated with these and other benefits to employees could have a material adverse effect on our financial condition. In addition, in certain jurisdictions, these obligations may rank senior to the Guarantees of the Notes in a bankruptcy of the relevant Guarantor as a matter of law.

We operate a number of pension and other post-retirement benefit schemes funded by a range of assets which may include property, derivatives, equities and/or bonds. The value of these assets is heavily dependent on the performance of markets which are subject to volatility. The liability structure of the obligations to provide such benefits is also subject to market volatility in relation to its accounting valuation and management. Additional significant funding of our pension and other post-retirement benefit obligations may be required if market underperformance is severe.

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

Many of our operating companies are party to collective bargaining agreements with trade unions. These agreements cover the majority of our employees. Upon the expiration of any collective bargaining agreement, our operating companies' inability to negotiate acceptable contracts with trade unions could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. If the unionized workers were to engage in a strike or other work stoppage, we could experience a significant disruption of operations and/or higher ongoing labor costs, which may have a material adverse effect on our business, financial condition and results of operations.

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

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

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

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

In addition, if a product contained in packaging manufactured by us is faulty or contaminated, it is possible that the manufacturer of the product may allege that our packaging is the cause of the fault or contamination, even if the packaging complies with contractual specifications.

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



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

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

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

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

***Our food packaging sales could be adversely affected by changes in agricultural subsidy rules.***

Certain subsidies are provided to agricultural producers for the production of various fruit, vegetable and dairy products. For example, E.U. rules provide for such subsidies. The availability of these subsidies may affect levels of production for certain agricultural products. Any reduction in existing subsidy levels could lead to a reduction in harvest or canning operations and therefore could have a material adverse effect on our business, financial condition and results of operations.

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

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

***The United Kingdom’s withdrawal from the E.U. may have a negative effect on our financial condition and results of operations.***

Approximately 7% of our total 2021 revenue has been derived from revenues generated in the United Kingdom and 2 of our 52 manufacturing facilities are located in the United Kingdom.

The relationship between the United Kingdom and the European Union is now governed by a Withdrawal Agreement entered into at the end of January 2020, and a Trade and Cooperation Agreement, which took effect from January 1, 2021 (the “Brexit Agreements”). The Brexit Agreements provide for a zero tariff, zero quota arrangement on sales of goods and agriproducts between the United Kingdom and the European Union. However, although there is tariff-free trade in these areas, non-tariff barriers such as applicable standards or bureaucratic processes could create frictions, particularly in the context of the Northern Ireland Protocol to the Withdrawal Agreement, which relates to movement of goods between the Republic of Ireland and Northern Ireland and also affects the movements of goods between Great Britain and Northern Ireland. In addition, customs duties on goods originating outside the European Union or United Kingdom, or in the event that the zero tariff arrangements under the Brexit Agreements are amended or suspended, might lead to additional costs for products and materials shipped from the United Kingdom to Europe or from Europe to the United Kingdom respectively. Further, required changes to our business systems and processes in order to comply with newly introduced customs procedures may lead to additional costs.

More generally, differences in standards or processes or risk aversion may mean that some businesses choose not to serve other markets on a temporary or permanent basis, causing disruption. There remains uncertainty on what the impact will be for the United Kingdom and Europe, including among commercial parties in the United Kingdom and the European Union, financial institutions, suppliers and service providers and their respective customers. Any changes to the trading relationship between the United Kingdom and the European Union arising from the Brexit Agreements may adversely affect the cost or timing of imports, including steel, aluminum and coatings in our operations.

While we predominantly sell to customers in the local U.K. market, some of our customers based in the U.K. who export outside the local U.K. market, may experience reduced demand and/or delays arising from post-Brexit arrangements. These negative impacts could adversely affect our financial condition and results of operations. Additionally, because of the extent of our business in the United Kingdom, the precise impact of Brexit is difficult to predict and may include effects beyond those described herein, which could have a material adverse impact on our financial condition and results of operations.

Brexit may also have an adverse impact on our business, employees and customers in the United Kingdom. In addition, changes in laws and regulations after the end of the transition period, including import, tax and employment laws and regulations, could adversely impact the results of operations of our U.K. business. For example, a portion of our U.K. employees are likely to be citizens of other European countries and there is a risk that Brexit will adversely affect our and our contractors' and suppliers' ability to retain and recruit employees from this wider European labor market, which may lead to labor shortages and higher costs.

Further, political instability as a result of Brexit may result in a material negative effect on credit markets and foreign direct investments in Europe and the United Kingdom. For example, the announcement of the Brexit vote caused significant volatility in global stock markets and currency exchange rate fluctuations that resulted in the weakening of the exchange rate of the British pound. Uncertainty concerning the terms of Brexit during and following the transition period could cause further volatility in the British pound against other currencies, and thus increase our foreign exchange risk. See also our risk factor entitled "Currency, interest rate fluctuations and commodity prices may have a material impact on our business." This deterioration in economic conditions could result in increased unemployment rates, increased short- and long-term interest rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, and other results that negatively impact household incomes.

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

***We are exposed to risks related to conducting operations in many different countries.***

Our facilities are located in Europe, Morocco, the Seychelles, South Korea, the United States, Canada, Argentina and Brazil. Risks inherent in international operations include the following:

- economic contraction or volatility;
- general economic, social or political conditions in the countries in which we operate;
- outbreaks of disease, geopolitical conflicts resulting into war, rebellion, terrorism or other acts of violence;
- the nationalization or expropriation of privately-owned assets, or other political interference;
- the introduction or tightening of foreign ownership restrictions;
- the cancellation or unenforceability of contractual rights or title to real property;
- compliance with a variety of laws and regulations in various jurisdictions may be burdensome;
- inconsistent regulations, licensing and legal requirements may increase our cost of operations as we endeavor to comply with a myriad of laws that differ from one country to another in an unpredictable and adverse manner;
- withholding taxes or other taxes or royalties on our income could be imposed or other restrictions on foreign trade or investment, including currency exchange controls, could be adopted;
- adverse changes in export duties, quotas and tariffs and difficulties in obtaining export licenses could occur;

- changes in trade laws, sanctions or embargos;
- difficulty in enforcing intellectual property rights;
- increase in transportation and other shipping costs;
- staffing difficulties, national or regional labor strikes or other labor disputes;
- changes in local legal or regulatory requirements, or their interpretation, in the operation of our business, including environmental rules, contracting or bidding requirements, local content requirements, or various other areas of labor (such as the availability of work permits), and contract or natural resource law;
- differences in consumer preferences in products;
- currency collapse, devaluation, volatility or appreciation and the introduction of price controls; and
- difficulty in enforcing agreements and collecting receivables.

Any negative change in one or more macroeconomic factors, such as interest rates, inflation, wage levels, unemployment, foreign investment and international trade, could have a material adverse effect on our business, results of operations, financial condition or prospects.

***Increasing privacy and data security obligations or a significant data breach may adversely affect our business.***

We will continue our efforts to meet data security obligations and must manage evolving cybersecurity threats. The loss, disclosure, misappropriation of, or access to, employees' or business partners' information, or our failure to meet our obligations, could result in lost revenue, increased costs, legal claims or proceedings, liability or regulatory penalties. A significant data breach or our failure to meet our obligations may adversely affect our reputation and financial condition.

***Our heavy reliance on technology and automated systems to operate its business could mean any significant failure or disruption of the technology or these systems could materially harm its business.***

We depend on automated systems and technology to operate our business, including accounting systems, manufacturing systems and telecommunication systems. We operate a cyber and information risk management program including operating a global information security function which partners with global leaders in the security industry to deliver an integrated information and cyber risk management service using state-of-the-art technologies in areas including antivirus and anti-malware, email and web security platforms, firewalls, intrusion detection systems, cyber threat intelligence services and advanced persistent threat detection. We also partner with global leaders to deliver high availability and resilient systems and communication platforms. However, there is the possibility that these systems could suffer substantial or repeated disruptions due to various events, some of which are beyond our control, including natural disasters, power failures, terrorist attacks, equipment or software failures, computer viruses or cyber security attacks, for example state-sponsored cyber-security attacks as a further escalation of the recent Russia-Ukraine conflict. Substantial or repeated systems failures or disruptions, could result in the unauthorized release of confidential or otherwise protected information, result in increased costs, lost revenue and the loss or compromise of important data, and may adversely affect our business, results of operations and financial condition.

During 2021, Trivium was subject of a ransomware cyber security attack that affected many of our core IT systems and required us to enforce a controlled outage of all our IT systems by isolating it from the internet. As a result, our processes and operations, including supply chain and logistics platforms, were impacted and our production operated at reduced capacity for a limited period of time. The incident was contained with the help of leading industry specialists and all key systems were brought back online securely, in a phased manner in line with our recovery plan. Following the incident, we further enhanced the security of our IT systems. This included a review of our information technology roadmap and we accelerated planned IT investments to further improve the effectiveness of our information security system.

*Our substantial debt could adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.*

We have a substantial amount of debt and significant debt service obligations. As of December 31, 2021, we had net borrowings and net debt of \$2,931 million and \$2,718 million, respectively.

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

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

In addition, a portion of our debt bears interest at variable rates that are linked to changing market interest rates. Although we may hedge a portion of our exposure to variable interest rates by entering into interest rate swaps, we cannot assure you that we will do so in the future. As a result, an increase in market interest rates would increase our interest expense and our debt service obligations, which would exacerbate the risks associated with our leveraged capital structure.

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

# Non-Statutory Consolidated Financial Statements

## INDEX TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

Non-statutory consolidated financial statements of Trivium Packaging B.V. and its subsidiaries for the year ended December 31, 2021 and year ended December 31, 2020

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## ***Independent auditors' report to the directors of Trivium Packaging B.V.***

### **Report on the audit of the non-statutory consolidated financial statements**

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#### **Opinion**

In our opinion, Trivium Packaging B.V.'s group non-statutory consolidated financial statements (the "financial statements"):

- give a true and fair view of the group's assets, liabilities and financial position as at 31 December 2021 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

We have audited the financial statements which comprise:

- the Trivium Packaging B.V. consolidated statement of financial position as at 31 December 2021;
  - the Trivium Packaging B.V. consolidated statement of income and consolidated statement of comprehensive income for the year then ended;
  - the Trivium Packaging B.V. consolidated statement of cash flows for the year then ended;
  - the Trivium Packaging B.V. consolidated statement of changes in equity for the year then ended; and
  - the notes to the financial statements, which include a description of the significant accounting policies.
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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"). Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## Reporting on other information

The other information comprises all of the information in the Report to Bondholders other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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## Responsibilities for the financial statements and the audit

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities for the Non-Statutory Consolidated Financial Statements set out on page F5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinion, has been prepared for and only for the company's directors as a body in accordance with our engagement letter dated 3 December 2021 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.





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## Other matter

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We draw attention to the fact that these financial statements have not been prepared in accordance with section 362, subsection 1 and 8, Part 9, Book 2 of the Dutch Civil Code ('B2 DCC') and are not the company's statutory financial statements.

/s/ PricewaterhouseCoopers  
Chartered Accountants  
Dublin  
8 March 2022

**STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS**

The Directors are responsible for preparing the non-statutory consolidated financial statements of Trivium Packaging B.V. and its subsidiaries (together the "Group" or the "Trivium Group") in accordance with IFRS issued by the International Accounting Standards Board (IASB) and for being satisfied that they give a true and fair view of the Group's assets, liabilities, and financial position as at December 31, 2021 and of its result and cash flows for the year then ended. In preparing these non-statutory consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that these non-statutory consolidated financial statements comply with IFRS issued by the IASB; and
- prepare the non-statutory consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

**Disclosure of Information to Auditors**

The Directors in office at the date of this report have each confirmed that:

- so far as he/she is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

The Directors confirm that they have complied with the above requirements in preparing the non-statutory consolidated financial statements.

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](http://www.triviumpackaging.com).

These non-statutory consolidated financial statements have been authorized for issue by the Directors on March 7, 2022.

TRIVIUM PACKAGING B.V.  
CONSOLIDATED STATEMENT OF INCOME

	Year ended December 31, 2021			Year ended December 31, 2020			
	Note	Before exceptional items \$'m	Exceptional items \$'m Note 4	Total \$'m	Before exceptional items \$'m	Exceptional items \$'m Note 4	Total \$'m
Revenue	3	2,757	—	2,757	2,656	—	2,656
Cost of sales		(2,273)	(70)	(2,343)	(2,185)	(23)	(2,208)
<b>Gross profit/(loss)</b>		<b>484</b>	<b>(70)</b>	<b>414</b>	<b>471</b>	<b>(23)</b>	<b>448</b>
Sales, general and administration expenses		(202)	(7)	(209)	(202)	(35)	(237)
Intangible amortization	8	(166)	—	(166)	(153)	—	(153)
<b>Operating profit/(loss)</b>		<b>116</b>	<b>(77)</b>	<b>39</b>	<b>116</b>	<b>(58)</b>	<b>58</b>
Net finance (expense)/income	5	(167)	—	(167)	(160)	2	(158)
<b>Loss before tax</b>		<b>(51)</b>	<b>(77)</b>	<b>(128)</b>	<b>(44)</b>	<b>(56)</b>	<b>(100)</b>
Income tax (charge)/credit	6	(19)	18	(1)	(13)	12	(1)
<b>Loss for the year</b>		<b>(70)</b>	<b>(59)</b>	<b>(129)</b>	<b>(57)</b>	<b>(44)</b>	<b>(101)</b>

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

TRIVIUM PACKAGING B.V.  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended December 31,	
		2021 \$'m	2020 \$'m
<b>Loss for the year</b>		<b>(129)</b>	<b>(101)</b>
<b>Other comprehensive (loss)/income:</b>			
<i>Items that may subsequently be reclassified to income statement</i>			
<i>Foreign currency translation adjustments:</i>			
—Arising in the year		(46)	46
		<b>(46)</b>	<b>46</b>
<i>Effective portion of changes in fair value of cash flow hedges:</i>			
—New fair value adjustments into reserve		73	(48)
—Movement out of reserve to income statement		(62)	62
—Movement in deferred tax		(1)	(1)
		<b>10</b>	<b>13</b>
<i>Gain recognized on cost of hedging:</i>			
—New fair value adjustments into reserve		—	2
—Movement in deferred tax		—	1
		—	<b>3</b>
<i>Items that will not be reclassified to income statement</i>			
—Re-measurement of employee benefit obligations	17	33	9
—Deferred tax movement on employee benefit obligations		(9)	(2)
		<b>24</b>	<b>7</b>
<b>Total other comprehensive (loss)/income for the year</b>		<b>(12)</b>	<b>69</b>
<b>Total comprehensive loss for the year</b>		<b>(141)</b>	<b>(32)</b>

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

TRIVIUM PACKAGING B.V.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At December 31,	
		2021 \$'m	2020 \$'m
<b>Non-current assets</b>			
Intangible assets	8	3,146	3,514
Property, plant and equipment	9	1,010	1,053
Deferred tax assets	6	66	71
Other non-current assets	10	5	6
		<b>4,227</b>	<b>4,644</b>
<b>Current assets</b>			
Inventories	11	387	384
Trade and other receivables	12	415	316
Contract assets	13	28	30
Assets held for sale	9	3	—
Derivative financial instruments	16	5	4
Cash and cash equivalents	14	215	157
		<b>1,053</b>	<b>891</b>
<b>TOTAL ASSETS</b>		<b>5,280</b>	<b>5,535</b>
<b>Equity</b>			
Issued capital	15	44	44
Share premium		930	930
Other reserves		25	80
Retained earnings		(320)	(215)
<b>TOTAL EQUITY</b>		<b>679</b>	<b>839</b>
<b>Non-current liabilities</b>			
Borrowings	16	2,909	2,998
Employee benefit obligations	17	339	358
Deferred tax liabilities	6	390	434
Provisions	18	30	27
Deferred revenue		18	21
Derivative financial instruments	16	2	53
		<b>3,688</b>	<b>3,891</b>
<b>Current liabilities</b>			
Borrowings	16	22	32
Interest payable	16	50	53
Trade and other payables	19	723	657
Deferred revenue		27	—
Income tax payable		27	23
Provisions	18	64	35
Derivative financial instruments	16	—	5
		<b>913</b>	<b>805</b>
<b>TOTAL LIABILITIES</b>		<b>4,601</b>	<b>4,696</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,280</b>	<b>5,535</b>

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

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

	Attributable to the owner of the parent						Total equity \$'m
	Share capital \$'m	Share premium \$'m	Foreign currency translation reserve \$'m	Cash flow hedge reserve \$'m	Cost of hedging reserve \$'m	Retained earnings \$'m	
<b>At January 1, 2020</b>	44	930	7	3	2	(121)	865
Loss for the year	—	—	—	—	—	(101)	(101)
Other comprehensive income for the year	—	—	46	13	3	7	69
Hedging losses transferred to cost of inventory	—	—	—	6	—	—	6
<b>At December 31, 2020</b>	<b>44</b>	<b>930</b>	<b>53</b>	<b>22</b>	<b>5</b>	<b>(215)</b>	<b>839</b>
<b>At January 1, 2021</b>	<b>44</b>	<b>930</b>	<b>53</b>	<b>22</b>	<b>5</b>	<b>(215)</b>	<b>839</b>
Loss for the year	—	—	—	—	—	(129)	(129)
Other comprehensive (loss)/income for the year	—	—	(46)	10	—	24	(12)
Hedging gains transferred to cost of inventory	—	—	—	(19)	—	—	(19)
<b>At December 31, 2021</b>	<b>44</b>	<b>930</b>	<b>7</b>	<b>13</b>	<b>5</b>	<b>(320)</b>	<b>679</b>

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

TRIVIUM PACKAGING B.V.  
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended December 31,	
		2021 \$'m	2020 \$'m
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	381	377
Income tax paid		(38)	(19)
Interest paid		(159)	(105)
<b>Net cash from operating activities</b>		<b>184</b>	<b>253</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(117)	(134)
Purchase of intangible assets		(13)	(24)
Proceeds from disposal of property, plant and equipment		36	19
Purchase of business, net of cash acquired		—	(32)
<b>Net cash used in investing activities</b>		<b>(94)</b>	<b>(171)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	16	231	129
Repayment of borrowings	16	(238)	(197)
Lease payments		(22)	(20)
Debt issue costs paid		—	(5)
<b>Net cash used in financing activities</b>		<b>(29)</b>	<b>(93)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>61</b>	<b>(11)</b>
Cash and cash equivalents at the beginning of the year		157	157
Foreign exchange (losses)/gains on cash and cash equivalents		(3)	11
<b>Cash and cash equivalents at the end of the year</b>	14	<b>215</b>	<b>157</b>

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

## TRIVIUM PACKAGING B.V. NOTES TO THE 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” or the “Trivium Group”) are a leading supplier of innovative, value-added, rigid metal packaging solutions. The Group’s products mainly include metal and aluminum containers primarily for service 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 non-statutory consolidated financial statements (referred to as “consolidated financial statements”) reflect the consolidation of the legal entities forming the Group for the year ended December 31, 2021 (the “reporting date”) and for the comparative year presented. The principal operating subsidiaries forming the Group are listed in Note 21.

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

### 2. Summary of significant accounting policies

#### Basis of preparation

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

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

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

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

The consolidated financial statements for the Group were authorized for issue by the Supervisory Board of Trivium Packaging B.V. (the “Supervisory Board”) on March 7, 2022.



**Going concern**

At the date that the 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 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, March 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 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, 2021:

- Covid-19-Related Rent Concessions – amendments to IFRS 16; and
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The impact of the above amendments 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 consolidated financial statements and disclosures is on-going.

**Basis of consolidation***(i) Subsidiaries*

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

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

*(ii) Transactions eliminated on consolidation*

Transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. Subsidiaries' accounting policies are consistent with the policies adopted by the Group.

***(iii) Investment in joint ventures***

The Group participates in joint ventures where control is shared with one or more other parties. The Group's investment and share of results of joint ventures are shown within the other non-current asset line item in the consolidated statement of financial position and the sales, general and administrative expenses line item in the consolidated statement of income respectively. The Group uses the equity method of accounting to account for its joint ventures.

**Foreign currency*****(i) Functional and presentation currency***

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

***(ii) Foreign currency transactions***

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

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the consolidated statement of income, except: (i) differences on foreign currency borrowings that provide an effective hedge against a net investment in a foreign entity ("net investment hedges"), which are taken to other comprehensive income until the disposal of the net investment, at which time they are recognized in the consolidated statement of income; and (ii) differences on certain derivative financial instruments discussed under "Derivative financial instruments" below. Net investment hedges are accounted for in a similar manner to cash flow hedges. The gain or loss relating to the ineffective portion of a net investment hedge is recognized immediately in the consolidated statement of income within finance income or expense.

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

***(iii) Consolidated financial statements of the Group***

The results and financial position of Group entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the reporting date;
- income and expenses are translated at average foreign exchange rates prevailing during the year; and
- all resulting exchange differences are recognized in other comprehensive income.

Gains or losses accumulated in other comprehensive income are recycled to the consolidated statement of income when the foreign operation is disposed of.

Any goodwill related to fair value adjustments are recorded as assets and liabilities of the acquired legal entity in that entity's functional currency and translated at the closing rate for Group reporting purposes.

**Business combinations and goodwill**

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

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in sales, general and administration expenses.

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

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

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the legal entity acquired, the difference is recognized directly in the consolidated statement of income.

Goodwill is an indefinite life intangible asset and is stated at cost less any accumulated impairment losses. Goodwill is allocated to those groups of cash-generating units ("CGUs") that are expected to benefit from the business combination in which the goodwill arose for the purpose of assessing impairment. Goodwill is tested annually for impairment.

The Group considers obligations of the acquiree in a business combination that arise as a result of the change in control, to be cash flows arising from obtaining control of the controlled entity, and classifies these obligations as investing activities in the consolidated statement of cash flows.

Where goodwill has been allocated to a CGU and part of the operation or assets within that unit is disposed of, the goodwill associated with the disposed operation is assessed for inclusion in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is calculated on the basis of the relative values of the operation or assets disposed of and the portion of the CGU retained, unless the entity can demonstrate that some other method better reflects the goodwill associated with the operation or assets disposed of.

### **Intangible assets**

Intangible assets are initially recognized at cost.

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

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

The amortization of intangible assets is calculated to write off the book value of finite lived intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value as follows:

Software	2 - 7 years
Customer relationships	5 - 12 years
Technology	8 - 12 years

#### *(i) Software*

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

***(ii) Customer relationships***

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

***(iii) Technology***

Technology based intangibles were mostly acquired in a business combination are recognized at fair value at the acquisition date and reflect the Group's ability to add value through accumulated technological expertise surrounding product and process development. Technology has a finite useful economic life and is carried at cost less accumulated amortization.

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

**Property, plant and equipment*****(i) Owned assets***

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

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

***(ii) Leased assets***

At the lease commencement date or the effective date of a lease modification, the Group recognizes a lease liability as the present value of expected future lease payments, discounted at the Group's incremental borrowing rate unless the rate implicit in the lease is readily determinable, excluding any amounts which are variable based on the usage of the underlying asset and a right-of-use asset generally at the same amount plus any directly attributable costs. The incremental borrowing rate is the discount rate the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group combines lease and non-lease components and accounts for them as a single lease component. Extension options or periods after termination options are considered by management if it is reasonably certain that the lease will be extended or not terminated. The Group presents right-of-use assets within the same financial statement line item as the corresponding underlying assets would be presented if they were owned and depreciates the same over the expected lease term, unless the initial recognition considers that it is reasonably certain that the Group will exercise a purchase option at the end of the lease term or the lease automatically transfers legal ownership to the Group by the end of the lease term. In these cases, the right-of-use asset is depreciated over the useful life of the underlying assets.

***(iii) Subsequent costs***

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

*(iv) Assets held for sale*

The Group classifies a non-current asset as held for sale if the asset is available for immediate sale in its present condition, subject to terms that are customary to a sale, whereby it is highly probable that its carrying value will be recovered through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Assets held for sale are no longer subject to depreciation and are presented separately in the statement of financial position.

*(v) Depreciation*

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

Buildings	30 - 40 years
Plant and machinery	2 - 40 years
Office equipment, vehicles and other	3 - 10 years

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

**Impairment of non-financial assets**

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

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

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

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

**Inventories**

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

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

Spare parts, with a useful life of less than one year, which are deemed to be of a consumable nature, are included within inventories and expensed when utilized.

**Non-derivative financial instruments**

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

***(i) Trade and other receivables***

Trade and other receivables are recognized initially at fair value and are thereafter measured at amortized cost using the effective interest rate method less any provision for impairment, in accordance with the Group's held to collect business model. A provision for impairment of specific trade receivables is recognized when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. For all other trade receivables, the Group uses an allowance matrix to measure the expected credit loss, based on historical actual credit loss experiences, adjusted for forward-looking information.

***(ii) Securitized assets***

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

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

***(iii) Contract assets***

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

***(iv) Cash and cash equivalents***

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

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

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

***(v) Borrowings***

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

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

***(vi) Trade and other payables***

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

**Derivative financial instruments**

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

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 16. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

***(i) Cash flow hedges***

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

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

***(ii) Net investment hedges***

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

***(iii) Fair value hedges***

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

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

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

**Fair value measurement**

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

- Disclosures for valuation methods, significant estimates and assumptions (Notes 8, 16 and 17)
- Quantitative disclosures of fair value measurement hierarchy (Note 16)
- Financial instruments, including those carried at amortized cost (Note 16)

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

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

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

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

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

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



**Employee benefits*****(i) Defined benefit pension plans***

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

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

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

***(ii) Multi-employer pension plans***

Multi-employer craft or industry-based pension schemes (“multi-employer schemes”) have arrangements similar to those of defined benefit schemes. In each case it is not possible to identify the Group’s share of the underlying assets and liabilities of the multi-employer schemes and therefore in accordance with IAS 19(R), the Group has taken the exemption for multi-employer pension schemes to account for them as defined contribution schemes recognizing the contributions payable in each period in the consolidated statement of income.

***(iii) Other end of service employee benefits***

In a number of countries, the Group pays lump sums to employees leaving service. These arrangements are accounted in the same manner as defined benefit pension plans.

***(iv) Other long-term employee benefits***

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

***(v) Defined contribution plans***

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

**Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions for onerous costs is recorded in cases where management assesses that the unavoidable costs of fulfilling the obligations under a contract will exceed the benefits expected to be received under that contract.

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

**Deferred revenue**

Advance payments received from customers against specific contracted sale orders is recognized as deferred revenue. The amount of deferred revenue recognized at the reporting date in the consolidated statement of financial position relates to the outstanding quantum of such sales orders that are yet to be processed by the Group. The amount and timing of revenue recognition from such orders in the consolidated statement of income is in line with the revenue recognition policy described below.

**Revenue recognition**

The Group's products mainly include metal and aluminum containers primarily 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 OTC packaging. In addition to metal and aluminum containers, the Group manufactures and supplies a wide range of can ends. Containers and ends are usually distinct items and can be sold separately from each other. A significant portion of our sales volumes are supplied under contracts which include input cost pass-through provisions.

The Group usually enters into framework agreements with its customers, which establish the terms under which individual orders to purchase goods or services may be placed. As the framework agreements do not identify each party's rights regarding the goods or services to be transferred, they do not create enforceable rights and obligations on a stand-alone basis. Therefore, the Group has concluded that only individual purchase orders create enforceable rights and obligations and meet the definition of a contract under IFRS 15. The individual purchase orders have, in general, a duration of one year or less and, as such, the Group does not disclose any information about remaining performance obligations under these contracts. The Group's payment terms are in line with customary business practice, which can vary by customer and region. The Group has availed of the practical expedient from considering the existence of a significant financing component as, based on past experience, it is expected that (at contract inception) the period between when a promised good is transferred to the customer and when the customer pays for that good will be one year or less.

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

**Exceptional items**

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

**Finance income and expense**

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

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

The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of manufacturing plants that require a substantial period of time, and at least over 1 year, to build that would have been avoided if the expenditure on the qualifying asset had not been made.

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

**Insurance recovery**

A receivable for insurance recovery and related impact in the consolidated statement of income is recognized where it is virtually certain of being recovered. An insurance recovery is typically virtually certain of receipt once a claim settlement is considered imminent.

**Income tax**

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

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

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

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

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

### **Segment reporting**

The Supervisory Board and the Chief Executive Officer have been identified as the Chief Operating Decision Maker (“CODM”) for the Group.

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

### **Critical accounting estimates, assumptions and judgments**

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

#### ***(i) Estimated impairment of goodwill and other long-lived assets***

In accordance with IAS 36 ‘Impairment of assets’ (“IAS 36”), the Group tests whether goodwill and other long-lived assets have suffered any impairment in accordance with the accounting policies stated. The determination of the recoverable amounts of goodwill requires the use of judgments and estimates as outlined in Note 8.

#### ***(ii) Income taxes***

The Group is subject to income taxes in numerous jurisdictions and judgment is therefore required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit matters based on the expected value method under IFRIC 23. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Where uncertain tax treatments exist, the Group assesses whether it is probable that a tax authority will accept the uncertain tax treatment applied or proposed to be applied in its income tax filings. The Group assesses for each uncertain tax treatment whether it should be considered independently or whether some tax treatments should be considered together based on what the Group believes provides a better prediction of the resolution of the uncertainty. The Group considers whether it is probable that the relevant authority will accept each uncertain tax treatment, or group of uncertain tax treatments, assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

The Group measures tax uncertainties using its best estimate of likely outcomes. This estimate relies on estimates and assumptions and may involve judgments about future events. The Group has determined, with the benefit of opinions from external tax advisors and legal counsel, where appropriate, that it has provided for all taxation liabilities that are probable to arise from such activities. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes could result in incremental tax liabilities which could have a material adverse effect on cash flows, financial condition and results of operations. Where the final tax outcome of these matters is different from the amounts that were originally estimated such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

***(iii) Measurement of employee benefit obligations***

The Group follows guidance of IAS 19(R) to determine the present value of its obligations to current and past employees in respect of defined benefit pension obligations, other long-term employee benefits, and other end of service employee benefits which are subject to similar fluctuations in value in the long-term. The Group values its liabilities, with the assistance of professional actuaries, to ensure consistency in the quality of the key assumptions underlying the valuations. The critical assumptions and estimates applied are discussed in detail in Note 17.

The liabilities with respect to the long-term performance-based plan are primarily depending on management's best estimates of the development of the Group's profitability and net debt over the life of the five-year plan.

***(iv) Exceptional items***

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

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

***(v) Determination of virtually certain with regards to insurance recovery***

An insurance recovery is typically considered to be virtually certain of receipt once it has been accepted by the insurance company and a claim settlement is considered imminent. The determination of what is considered acceptance can be an area of significant judgment. Therefore, in reaching a conclusion that an insurance recovery is virtually certain, management makes an assessment of the status of individual components involved in the claim process to reach that determination. This assessment includes obtaining comfort over the claim policy coverage, loss calculation mechanism, appropriate supporting documentation required for proof of incident losses, and timing of settlement from the insurer.

In making the assessment above and determination of the most likely amount of insurance recovery, management considers its own past experience with managing insurance loss recovery processes, involves internal and third-party expertise to understand level of likely incident loss adjustment within its insurance policy coverage, and reviews communications received from the insurers. Note 24 discloses the amount of insurance recovery recognized during the year.

***(vi) Allocation of insurance recovery in the consolidated statement of income***

Insurance recoveries are allocated initially to offset losses incurred in relation to business interruption as a result of lost sales and related margins of the current year, as this reflects the primary rationale of the Group for maintaining insurance coverage against untoward incidents. The presentation of the insurance recovery relating to business interruption costs is classified within the sales, general and administrative expenses line item (before exceptional items).

Insurance recoveries exceeding such business interruption losses of the current year are allocated as an offset against other incremental costs incurred by the Group as a result of untoward incidents such as impairment of assets, customer claims or remediation costs. This portion of insurance proceeds is presented as an exceptional item in the consolidated statement of income within either the cost of sales or sales or general and administrative expenses line item depending on the classification of items of losses against which the insurance claim proceeds were initiated. The excess of insurance proceeds over the recorded incident losses, received during a reporting period, is classified as other income and shown within the sales, general and administrative expenses line item as an exceptional item in the consolidated statement of income.

***(vii) Business combinations and goodwill***

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

### 3. Segment and revenue analysis

The Group's two operating and reportable segments are Europe and Americas, which as of January 1, 2021, excludes 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. Adjusted EBITDA is the profit or loss for the year before income tax charge or credit, net finance expense, depreciation and amortization, accrual for the long-term performance-based plan (expected to be payable in 2025) 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 year to Adjusted EBITDA

	Year ended December 31,	
	2021 \$'m	2020 \$'m
Loss for the year	(129)	(101)
Income tax charge (Note 6)	1	1
Net finance expense (Note 5)	167	158
Depreciation and amortization (Notes 8, 9)	286	265
Exceptional operating items (Note 4)	77	58
Long-term performance-based plan (Note 17)	49	24
<b>Adjusted EBITDA</b>	<b>451</b>	<b>405</b>

Segment assets consists of intangible assets, property, plant and equipment, derivative financial instrument assets, deferred tax assets, other non-current assets, inventories, contract assets, trade and other receivables, cash and cash equivalents and assets held for sale. The accounting policies of the segments are the same as those in the consolidated financial statements of the Group as set out in Note 2.

The segment results for the year ended December 31, 2021 are:

	Europe \$'m	Americas \$'m	Corporate \$'m	Group \$'m
Revenue	1,912	845	—	2,757
Adjusted EBITDA	306	156	(11)	451
Capital expenditure	59	35	—	94
Segment assets	3,835	1,445	—	5,280

The segment results for the year ended December 31, 2020 are:

	Europe \$'m	Americas \$'m	Corporate* \$'m	Group \$'m
Revenue	1,909	747	—	2,656
Adjusted EBITDA	272	143	(10)	405
Capital expenditure	106	33	—	139
Segment assets	4,170	1,365	—	5,535

\*Adjusted EBITDA has been re-presented for the year ended December 31, 2020 to conform with the 2021 Group presentation of its two operating and reportable segments, which as of January 1, 2021, excludes certain corporate headquarter costs that have not been allocated to the segments.

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

One customer accounted for 10% or more of total revenue in 2021, in the Americas segment.

Total revenue and non-current assets, excluding derivative financial instruments, taxes, pensions and goodwill arising on acquisitions, in countries which account for 10% or more of total revenue or non-current assets, in the current year, is as follows:

	Year ended December 31,	
	2021	2020
	\$'m	\$'m
<b>Revenue</b>		
United States of America	660	585
France	407	390
Netherlands	358	362

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

	At December 31,	
	2021	2020
	\$'m	\$'m
<b>Non-current assets</b>		
United States of America	256	254
Netherlands	199	228
France	133	131

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

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

	Europe	North America	Rest of the world	Total
	\$'m	\$'m	\$'m	\$'m
Europe	1,739	13	160	1,912
Americas	2	687	156	845
<b>Group</b>	<b>1,741</b>	<b>700</b>	<b>316</b>	<b>2,757</b>

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

	Europe	North America	Rest of the world	Total
	\$'m	\$'m	\$'m	\$'m
Europe	1,740	14	155	1,909
Americas	4	613	130	747
<b>Group</b>	<b>1,744</b>	<b>627</b>	<b>285</b>	<b>2,656</b>

See Note 13 for Contract Asset details.



#### 4. Exceptional items

	Year ended December 31,	
	2021 \$'m	2020 \$'m
Restructuring and other costs	60	22
Exceptional incident related costs	32	6
Insurance recovery income	(22)	(5)
<b>Exceptional items – cost of sales, net</b>	<b>70</b>	<b>23</b>
Restructuring and other costs	5	—
Exceptional incident related costs	11	1
Transaction and integration-related costs	25	34
Insurance recovery income	(32)	—
Gain on sale of assets	(2)	—
<b>Exceptional items – SGA expenses, net</b>	<b>7</b>	<b>35</b>
Exceptional finance income	—	(2)
<b>Exceptional items – finance (income)/expense</b>	<b>—</b>	<b>(2)</b>
<b>Exceptional income tax credit</b>	<b>(18)</b>	<b>(12)</b>
<b>Total exceptional items, net of tax</b>	<b>59</b>	<b>44</b>

\*Exceptional items for the year ended December 31, 2020 have been reclassified to align with the presentation of 2021.

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

##### 2021

Exceptional items before tax of \$77 million have been recognized for the year ended December 31, 2021, primarily comprising:

##### *Cost of sales*

- Restructuring and other costs of \$60 million consists of \$58 million related to network optimization and capacity alignment in the Europe segment, mainly in Germany, France, Italy, Latvia and the Netherlands, and \$2 million related to impairment of property, plant and equipment
- Exceptional incident costs of \$32 million consists of \$12 million related to a cyber security incident and \$20 million related to the flooding of a plant in Erfstadt, Germany. The cyber security incident costs of \$12 million consists of IT recovery costs and incident linked claims. The flooding incident costs of \$20 million consists of \$7 million of cleaning and ramp-up costs, and \$13 million of impairment of property, plant and equipment and inventory items
- Insurance recovery income consists of \$22 million of insurance reimbursements, of which \$20 million related to the flooding incident and \$2 million related to a fire in a plant in Roanoke, Virginia, United States of America. See also Note 24

##### *Selling, general and administrative expenses*

- Restructuring and other costs of \$5 million is mainly related to redundancy costs
- Exceptional incident related costs of \$11 million consists of external third-party technology consulting costs linked to the cyber security incident
- Transaction and integration related costs of \$25 million consists of costs related to the ongoing execution of the transformation plan of the Group

- Insurance recovery income consists of \$32 million of insurance reimbursement relating to the flooding incident. See also Note 24
- Gain on sale of assets of \$2 million comprises the sale of a warehouse to a related party (see also Note 21) and a sale of the Group's beer keg business. The total carrying value of tangible assets linked to these two disposal transactions amounted to \$7 million which mainly related to property, plant and equipment and an allocation of goodwill was made for the beer keg business disposal of \$17 million (see also Note 8). Proceeds generated from the sale of assets of \$26 million are included within the proceeds from disposal of property, plant and equipment line item within the consolidated statement of cash flows

## 2020

Exceptional items before tax of \$56 million have been recognized for the year ended December 31, 2020, primarily comprising:

### *Cost of sales*

- Restructuring and other costs of \$22 million consists of \$8 million related to headcount reduction costs in the Europe Division, \$9 million of foreign currency losses related to a devaluation of the Brazilian real (\$4 million) and Argentinian peso (\$5 million) versus the U.S. dollar, \$4 million of start-up costs and \$1 million of impairment on property, plant and equipment
- Exceptional incident related costs of \$6 million consists of cleaning and ramp-up costs as a result of the fire in the plant at Roanoke, Virginia, United States of America
- Insurance recovery income consists of \$5 million insurance reimbursement relating to the Roanoke plant

### *Selling, general and administrative expenses*

- Exceptional incident related costs of \$1 million related to the Roanoke plant
- Transaction and integration related costs of \$34 million consists of \$29 million relating to costs linked to the formation of the Group in 2019 and \$5 million related to the acquisition (audit and legal fees)

### *Finance income*

- Exceptional finance income of \$2 million related to foreign currency gains on lease obligations denominated in Brazilian real

## 5. Net finance expense/(income)

	Year ended December 31,	
	2021 \$'m	2020 \$'m
Senior Secured and Senior Notes	155	150
Other interest expense	13	16
<b>Interest expense</b>	<b>168</b>	<b>166</b>
Net foreign currency translation gains	(5)	(9)
Net pension interest costs	2	4
Losses/(gains) on derivative financial instruments	2	(1)
<b>Net finance expense before exceptional items</b>	<b>167</b>	<b>160</b>
Exceptional finance income (Note 4)	—	(2)
<b>Net finance expense</b>	<b>167</b>	<b>158</b>

Included within Senior Secured and Senior Notes is net interest income on cross currency interest rate swaps ("CCIRS") of \$13 million (2020: \$15 million). During the year ended December 31, 2021, the Group recognized \$3 million (2020: \$3 million) related to lease liabilities within other interest expense and interest paid in cash used in operating activities.

## 6. Current and deferred income tax

	Year ended December 31,	
	2021 \$'m	2020 \$'m
<b>Current tax:</b>		
Current tax for the year	36	28
Adjustments in respect of prior years	(1)	(3)
<b>Total current tax charge</b>	<b>35</b>	<b>25</b>
<b>Deferred tax:</b>		
Deferred tax for the year	(36)	(25)
Adjustments in respect of prior years	2	1
<b>Total deferred tax credit</b>	<b>(34)</b>	<b>(24)</b>
<b>Income tax charge</b>	<b>1</b>	<b>1</b>

Reconciliation of income tax charge and the accounting loss multiplied by the Group's domestic tax rate for 2021 is as follows:

	Year ended December 31,	
	2021 \$'m	2020 \$'m
<b>Loss before tax</b>	<b>(128)</b>	<b>(100)</b>
Loss before tax multiplied by the standard rate of Dutch corporation tax: 25%	(32)	(25)
Tax losses and interest expense for which no deferred income tax asset was recognized	22	19
Re-measurement of deferred taxes	1	(2)
Adjustment in respect of prior years	1	(2)
Income subject to state and other local income taxes	5	5
Income taxed at rates other than standard tax rates	—	(1)
Non-deductible items	4	5
Other	—	2
<b>Income tax charge</b>	<b>1</b>	<b>1</b>

The total income tax charge outlined above includes tax credits of \$18 million (2020: \$12 million) in respect of exceptional items, being the tax effect of the items set out in Note 4.

Tax losses for which no deferred income tax asset was recognized predominantly relates to excess interest expense carried forward against future taxable income for which the group did not recognize a deferred tax asset due to uncertainty regarding their utilization.

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

	Assets \$'m	Liabilities \$'m	Total \$'m
<b>At January 1, 2020</b>	<b>104</b>	<b>(469)</b>	<b>(365)</b>
(Charged)/credited to the income statement	(3)	27	24
(Charged)/credited to other comprehensive income	(3)	1	(2)
Foreign exchange	7	(27)	(20)
<b>At December 31, 2020</b>	<b>105</b>	<b>(468)</b>	<b>(363)</b>
Credited to the income statement	14	20	34
Charged to other comprehensive income	(10)	—	(10)
Foreign exchange	(4)	19	15
<b>At December 31, 2021</b>	<b>105</b>	<b>(429)</b>	<b>(324)</b>

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

	At December 31,	
	2021 \$'m	2020 \$'m
Tax losses	4	4
Employee benefit obligations	61	60
Depreciation timing differences	1	2
Provisions	30	30
Other	9	9
	<b>105</b>	<b>105</b>
Available for offset	(39)	(34)
<b>Deferred tax assets</b>	<b>66</b>	<b>71</b>
Intangible assets	(331)	(386)
Accelerated depreciation and other fair value adjustments	(92)	(77)
Other	(6)	(5)
	<b>(429)</b>	<b>(468)</b>
Available for offset	39	34
<b>Deferred tax liabilities</b>	<b>(390)</b>	<b>(434)</b>

The tax (charge)/credit recognized in the consolidated statement of income is analyzed as follows:

	Year ended December 31,	
	2021 \$'m	2020 \$'m
Tax losses	—	(2)
Employee benefit obligations	13	—
Depreciation timing differences	(1)	(2)
Provisions	—	(1)
Other	2	2
Intangible assets	36	38
Accelerated depreciation and other fair value adjustments	(17)	(11)
Other deferred tax liabilities	1	—
	<b>34</b>	<b>24</b>

Deferred tax assets are only recognized on tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable based on management's forecasts. The Group did not recognize deferred tax assets of \$19 million (2020: \$22 million) in respect of tax losses amounting to \$82 million (2020: \$103 million) that can be carried forward against future taxable income due to uncertainty regarding their utilization. The Group did not recognize deferred tax assets of \$43 million (2020: \$25 million) in respect of excess interest expense carried forward amounting to \$165 million (2020: \$107 million) that can be carried forward against future taxable income due to uncertainty regarding their utilization.

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

## 7. Employee costs

	Year ended December 31,	
	2021 \$'m	2020* \$'m
Wages and salaries	473	430
Social security costs	81	78
Defined benefit plan pension costs (Note 17)	3	4
Other long-term employee benefit costs (Note 17)	2	2
Defined benefit past service credit (Note 17)	(1)	—
Defined contribution plan pension costs (Note 17)	10	15
Long-term performance-based plan (Note 17)	49	24
<b>Group employee costs</b>	<b>617</b>	<b>553</b>

\*Defined benefit plan pension cost and other long-term employee benefit costs for the year ended December 31, 2020 have been reclassified to align with the presentation of 2021 employee costs.

	At December 31,	
	2021	2020*
<b>Number of employees</b>		
Production	6,737	7,039
Administration	691	606
<b>Group</b>	<b>7,428</b>	<b>7,645</b>

\*Number of employees December 31, 2020 have been re-presented to align with the classification of employees in production and administration of 2021.

## 8. Intangible assets

	Goodwill \$'m	Customer relationships \$'m	Technology and other \$'m	Software \$'m	Total \$'m
<b>Cost</b>					
At January 1, 2020	1,766	1,440	203	34	3,443
Additions	—	—	13	11	24
Disposal	—	—	—	—	—
Impairment	—	—	—	—	—
Foreign exchange	125	93	15	4	237
<b>At December 31, 2020</b>	<b>1,891</b>	<b>1,533</b>	<b>231</b>	<b>49</b>	<b>3,704</b>
<b>Amortization</b>					
At January 1, 2020	—	(22)	(5)	—	(27)
Charge for the year	—	(132)	(20)	(1)	(153)
Disposal	—	—	—	—	—
Foreign exchange	—	(9)	(1)	—	(10)
<b>At December 31, 2020</b>	<b>—</b>	<b>(163)</b>	<b>(26)</b>	<b>(1)</b>	<b>(190)</b>
<b>Net book value</b>					
<b>At December 31, 2020</b>	<b>1,891</b>	<b>1,370</b>	<b>205</b>	<b>48</b>	<b>3,514</b>
<b>Cost</b>					
At January 1, 2021	1,891	1,533	231	49	3,704
Additions	—	—	2	12	14
Disposal	(17)	—	—	—	(17)
Impairment	—	—	—	—	—
Foreign exchange	(112)	(76)	(13)	(4)	(205)
<b>At December 31, 2021</b>	<b>1,762</b>	<b>1,457</b>	<b>220</b>	<b>57</b>	<b>3,496</b>
<b>Amortization</b>					
At January 1, 2021	—	(163)	(26)	(1)	(190)
Charge for the year	—	(136)	(20)	(10)	(166)
Disposal	—	—	—	—	—
Foreign exchange	—	4	1	1	6
<b>At December 31, 2021</b>	<b>—</b>	<b>(295)</b>	<b>(45)</b>	<b>(10)</b>	<b>(350)</b>
<b>Net book value</b>					
<b>At December 31, 2021</b>	<b>1,762</b>	<b>1,162</b>	<b>175</b>	<b>47</b>	<b>3,146</b>

Amortization expense of \$166 million (2020: \$153 million) and research and development costs of \$9 million (2020: \$9 million) has been charged to the consolidated statement of income.

Work in progress included within technology and other at December 31, 2021 was \$12 million (2020: \$12 million).

Disposal of goodwill relates to the disposal of the Group's beer keg business which was part of the Europe CGU to which goodwill was allocated.

### Goodwill

#### Allocation of goodwill

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

The lowest level within the Group at which the goodwill is monitored for internal management purposes is at the operating segment level and consequently the CGUs to which goodwill is allocated can be presented as follows:

	<u>At December 31,</u>	
	<u>2021</u>	<u>2020</u>
	\$'m	\$'m
Europe	1,403	1,532
Americas	359	359
<b>Total Goodwill</b>	<b><u>1,762</u></b>	<b><u>1,891</u></b>

### **Impairment tests for goodwill**

The Group performs an impairment test of goodwill annually following approval of the annual budget.

### **Recoverable amount and carrying amount**

The Group uses the value in use (“VIU”) model for the purposes of goodwill impairment testing, as this reflects the Group’s intention to hold and operate the assets. However, if an impairment indicator exists for a CGU, the Group also uses the fair value less costs to sell (“FVLCTS”) model in order to establish the recoverable amount being the higher of the VIU model and FVLCTS model.

### **Value in use**

The VIU model used the 2022 budget approved by the Board. The budget results were then extended for a further 4-year period making certain assumptions, including the profile between long-term depreciation and capital expenditure.

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

The discount rate applied to cash flows in the VIU model was estimated using a weighted average cost of capital as determined by the Capital Asset Pricing Model with regard to the risks associated with the cash flows being considered.

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

The terminal value assumed long-term growth based on a combination of factors including long-term inflation in addition to industry and market specific factors. The growth rate applied by management in respect of years two, three and four is 1.4% (2020: 1.6%) and 1.4% (2020: 1.4%) with respect to Europe and Americas respectively. The terminal growth rate values applicable to both groups of CGUs was estimated at 1.4% (2020: 1.4%).

Under the VIU model, there was no indicators of impairment identified in either CGU when the discounted future cash flows were compared to the carrying amount of the CGUs.

For both CGUs a sensitivity analysis was performed reflecting potential variations in the Adjusted EBITDA growth rate, the terminal growth rate and discount rate assumptions. For both CGUs, in all cases the recoverable values calculated were in excess of the carrying values of the CGU. The variation applied to the Adjusted EBITDA growth rate, the terminal value growth rate and discount rates was a 50 basis points decrease and increase respectively and represents a reasonably possible change to the key assumptions of the VIU model. Further, a reasonably possible change to the operating cash flows would not reduce the recoverable amounts below the carrying value of the CGUs.

The additional disclosures required under IAS 36 in relation to significant goodwill amounts arising in the groups of CGUs are as follows:

	Europe \$'m/%	Americas \$'m/%
<b>2021</b>		
Carrying amount of goodwill	1,403	359
Excess of recoverable amount	1,230	635
Pre-tax discount rate applied	7.3%	9.6%
<b>2020</b>		
Carrying amount of goodwill	1,532	359
Excess of recoverable amount	313	221
Pre-tax discount rate applied	8.1%	10.7%

## 9. Property, plant and equipment

	Land and buildings \$'m	Plant and machinery \$'m	Office equipment, vehicles and other \$'m	Total \$'m
<b>Cost</b>				
At January 1, 2020	277	720	16	1,013
Additions	17	119	9	145
Impairment	(1)	—	—	(1)
Disposals	(11)	(19)	(1)	(31)
Foreign exchange	15	39	1	55
<b>At December 31, 2020</b>	<b>297</b>	<b>859</b>	<b>25</b>	<b>1,181</b>
<b>Depreciation</b>				
At January 1, 2020	(4)	(16)	(1)	(21)
Charge for the year	(15)	(90)	(7)	(112)
Disposals	—	12	—	12
Foreign exchange	(3)	(3)	(1)	(7)
<b>At December 31, 2020</b>	<b>(22)</b>	<b>(97)</b>	<b>(9)</b>	<b>(128)</b>
<b>Net book value</b>				
<b>At December 31, 2020</b>	<b>275</b>	<b>762</b>	<b>16</b>	<b>1,053</b>
<b>Cost</b>				
At January 1, 2021	297	859	25	1,181
Additions	13	110	20	143
Impairment	—	(9)	—	(9)
Disposals	(2)	(44)	(5)	(51)
Reclassification to assets held for sale	(3)	—	—	(3)
Foreign exchange	(14)	(46)	(2)	(62)
<b>At December 31, 2021</b>	<b>291</b>	<b>870</b>	<b>38</b>	<b>1,199</b>
<b>Depreciation</b>				
At January 1, 2021	(22)	(97)	(9)	(128)
Charge for the year	(19)	(93)	(8)	(120)
Disposals	—	40	4	44
Foreign exchange	1	13	1	15
<b>At December 31, 2021</b>	<b>(40)</b>	<b>(137)</b>	<b>(12)</b>	<b>(189)</b>
<b>Net book value</b>				
<b>At December 31, 2021</b>	<b>251</b>	<b>733</b>	<b>26</b>	<b>1,010</b>



Depreciation expense of \$114 million (2020: \$107 million) has been charged in cost of sales and \$6 million (2020: \$5 million) in sales, general and administration expenses.

Construction in progress included within plant and machinery at December 31, 2021 was \$105 million (2020: \$132 million).

Included in property, plant and equipment is an amount for land of \$66 million (2020: \$73 million) which is not depreciated.

Substantially all of the Group's property, plant and equipment is pledged as security under the terms and conditions of the Group's financing arrangements. No interest was capitalized in the year (2020: nil).

An amount of \$3 million relates to the carrying value of assets identified as held for sale within the Europe CGU on the reporting date.

### Right-of-use assets

The net book value of right-of-use assets can be analyzed as follows:

<b>Net book value</b>	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Office equipment, vehicles and others</b>	<b>Total</b>
	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>
At December 31, 2021	72	8	6	<b>86</b>
At December 31, 2020	79	9	6	<b>94</b>

The depreciation expense for the year of the right-of-use assets can be analyzed as follows:

<b>Depreciation</b>	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Office equipment, vehicles and others</b>	<b>Total</b>
	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>
Charge for year ended December 31, 2021	14	5	4	<b>23</b>
Charge for year ended December 31, 2020	13	6	4	<b>23</b>

Total additions to the right-of-use assets of \$21 million (2020: \$13 million), total disposals of \$2 million (2020: nil), and a foreign exchange loss of \$4 million (2020: gain of \$5 million) was recognized during the year ended December 31, 2021.

During the year, the Group incurred short-term and variable lease expenses of \$12 million (2020: \$12 million), primarily related to warehouse leases.

### Capital commitments

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

	<b>At December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'m</b>	<b>\$'m</b>
Contracted for	39	25
Not contracted for	23	11
	<b>62</b>	<b>36</b>

## 10. Other non-current assets

At December 31, 2021 other non-current assets of \$5 million (2020: \$6 million) include \$3 million relating to the Group's investment in its immaterial joint venture.

## 11. Inventories

	At December 31,	
	2021 \$'m	2020 \$'m
Raw materials & consumables	167	162
Work-in-progress	70	85
Finished goods	150	137
	<b>387</b>	<b>384</b>

Certain inventories held by the Group have been pledged as security under the Group's Global Asset Based Loan Facility (Note 16). The amount recognized as a write down in inventories during the year was \$16 million (2020: \$11 million).

## 12. Trade and other receivables

	At December 31,	
	2021 \$'m	2020 \$'m
Trade receivables	284	241
Other receivables and prepayments	131	75
	<b>415</b>	<b>316</b>

Included in other receivables and prepayments is an amount of \$16 million (2020: \$8 million) related to income tax recoverable.

The fair values of trade and other receivables approximate the amounts shown above. Movements on the provision for impairment of trade receivables during the year ended December 31, 2021 are as follows:

	Year ended December 31,	
	2021 \$'m	2020 \$'m
<b>At January 1,</b>	<b>(4)</b>	<b>(1)</b>
Provision for receivables impairment	(1)	(2)
Foreign exchange	1	(1)
<b>At December 31,</b>	<b>(4)</b>	<b>(4)</b>

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

### Provisions against specific balances

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

### Providing against the remaining population of customers

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

As of December 31, 2021, trade receivables of \$46 million (2020: \$26 million) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	At December 31,	
	2021 \$'m	2020 \$'m
Up to three months past due	40	23
Three to six months past due	3	—
Over six months past due	3	3
	<b>46</b>	<b>26</b>

### 13. Contract assets

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

	Year ended December 31,	
	2021 \$'m	2020 \$'m
<b>At January 1,</b>	<b>30</b>	<b>31</b>
Transfers from contract assets recognized at beginning of year to receivables	(30)	(31)
Increases as a result of new contract assets recognized during the year	30	27
Foreign exchange (losses)/gains	(2)	3
<b>Balance as at December 31,</b>	<b>28</b>	<b>30</b>

### 14. Cash and cash equivalents

	At December 31,	
	2021 \$'m	2020 \$'m
Cash at bank and in hand	198	155
Short term bank deposits	15	—
Restricted cash	2	2
	<b>215</b>	<b>157</b>

Restricted cash includes cash required by law to protect members of early retirement plans in Germany.

## 15. Issued capital

Share capital

*Issued and fully paid shares:*

	Common shares (par value €1) (million)	Total \$'m
<b>At January 1, 2020</b>	<b>40</b>	<b>44</b>
Share issuance	—	—
<b>At December 31, 2020</b>	<b>40</b>	<b>44</b>
Share issuance	—	—
<b>At December 31, 2021</b>	<b>40</b>	<b>44</b>

The Company was incorporated on July 8, 2019 and has in total 39,821,794 issued shares. The Company issued 22,942,039 shares to OTPP (representing an approximate 58% stake in the Company, through one of its controlled entities) and 16,879,755 shares to Ardagh (representing an approximate 42% stake in the Company) as non-cash consideration upon the formation of the Trivium Group.

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to receive notice of, attend, speak and vote at all General Meetings of the Company. All ordinary shares rank pari passu as to voting rights, dividends, returns of capital to shareholders, or distribution of the Company's assets to shareholders in the event of its liquidation, dissolution or winding up.

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 share transactions in the year ended December 31, 2021.

## 16. Financial assets and liabilities

The Group's net external debt was as follows:

	At December 31,	
	2021 \$'m	2020 \$'m
Loan notes	2,842	2,928
Other borrowings	89	102
<b>Net borrowings</b>	<b>2,931</b>	<b>3,030</b>
Cash and cash equivalents	(215)	(157)
Derivative financial instruments used to hedge foreign currency and interest rate risk	2	53
<b>Net debt</b>	<b>2,718</b>	<b>2,926</b>

The Group's net borrowings of \$2,931 million (2020: \$3,030 million) are classified as non-current liabilities of \$2,909 million (2020: \$2,998 million) and current liabilities of \$22 million (2020: \$32 million) in the consolidated statement of financial position at December 31, 2021.

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

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount/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	—
<b>Total borrowings / undrawn facilities</b>						<b>2,953</b>	<b>240</b>
Deferred debt issue costs						(22)	—
<b>Net borrowings / undrawn facilities</b>						<b>2,931</b>	<b>240</b>
Cash and cash equivalents						(215)	215
Derivative financial instruments used to hedge foreign currency and interest rate risk						2	—
<b>Net debt / available liquidity</b>						<b>2,718</b>	<b>455</b>

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 \$50 million (2020: \$53 million) includes interest on Senior Secured and Senior Notes of \$56 million (2020: \$57 million) and net interest receivable on CCIRS of \$6 million (2020: \$4 million).

A number of the Group's borrowing agreements contain certain covenants that restrict the Group's flexibility in certain areas such as incurrence of additional indebtedness (primarily maximum borrowings to Adjusted EBITDA and a minimum Adjusted EBITDA to interest expense), payment of dividends and incurrence of liens. The Global Asset Based Loan 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, 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/Liquidity
					Local currency 'm	\$'m	
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	767	—
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	436	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	198	31-Oct-24	Revolving	—	—	198
Lease Obligations	Various	—	—	Amortizing	—	96	—
Other Borrowings – Ardagh Credit Facility	USD	36	31-Oct-21	Revolving	—	—	36
Other Borrowings/credit lines	Various	—	—	Amortizing	—	12	—
<b>Total borrowings / undrawn facilities</b>						<b>3,061</b>	<b>234</b>
Deferred debt issue costs						(31)	—
<b>Net borrowings / undrawn facilities</b>						<b>3,030</b>	<b>234</b>
Cash and cash equivalents						(157)	157
Derivative financial instruments used to hedge foreign currency and interest rate risk						53	—
<b>Net debt / available liquidity</b>						<b>2,926</b>	<b>391</b>

	Year ended December 31,	
	2021	2020
	\$'m	\$'m
Increase in cash and cash equivalents per consolidated statement of cash flows	(58)	—
(Decrease)/increase in net borrowings and derivative financial instruments	(150)	95
<b>(Decrease)/increase in net debt</b>	<b>(208)</b>	<b>95</b>
Net debt at January 1,	2,926	2,831
<b>Net debt at December 31,</b>	<b>2,718</b>	<b>2,926</b>

The decrease in net borrowings and derivative financial instruments primarily includes proceeds from borrowings of \$231 million (2020: \$129 million), a net foreign exchange gain on borrowings of \$93 million (2020: \$100 million loss), a fair value gain on the derivative financial instruments used to hedge foreign currency of \$51 million (2020: \$45 million loss), amortization of a deferred finance cost asset recognized on the issued bonds and Global Asset Based Loan Facility of \$9 million (2020: \$15 million), repayment of borrowings of \$238 million (2020: \$197 million), and a decrease in lease obligations of \$6 million (2020: decrease of \$4 million).

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

	At December 31,	
	2021	2020
	\$'m	\$'m
Within one year or on demand	22	32
Between one and three years	26	26
Between three and five years	2,177	20
Greater than five years	728	2,983
<b>Total borrowings</b>	<b>2,953</b>	<b>3,061</b>
Deferred debt issue costs	(22)	(31)
<b>Net borrowings</b>	<b>2,931</b>	<b>3,030</b>

The maturity profile of the contractual undiscounted cash flows related to the Group's lease liabilities as of December 31, 2021, is as follows:

	At December 31,	
	2021 \$'m	2020 \$'m
Not later than one year	22	23
Later than one year and not later than five years	54	56
Later than five years	41	44
	<b>117</b>	<b>123</b>

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

	Borrowings \$'m	Derivative financial instruments \$'m	Trade and other payables \$'m
<b>At December 31, 2021</b>			
Within one year or on demand	185	—	697
Between one and three years	350	—	—
Between three and five years	2,463	2	—
Greater than five years	779	—	—

	Borrowings \$'m	Derivative financial instruments \$'m	Trade and other payables \$'m
<b>At December 31, 2020</b>			
Within one year or on demand	197	1	633
Between one and three years	357	—	—
Between three and five years	349	53	—
Greater than five years	3,159	—	—

Trade and other payables is shown exclusive of other tax and social security payable.

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

	Amount drawn \$'m	Carrying value Deferred debt issue costs \$'m	Total \$'m	Fair value Total \$'m
<b>At December 31, 2021</b>				
Loan notes	2,860	(18)	2,842	2,946
Global Asset Based Loan Facility and other borrowings	3	(4)	(1)	3
	<b>2,863</b>	<b>(22)</b>	<b>2,841</b>	<b>2,949</b>

	Amount drawn \$'m	Carrying value Deferred debt issue costs \$'m	Total \$'m	Fair value Total \$'m
<b>At December 31, 2020</b>				
Loan notes	2,953	(25)	2,928	3,098
Global Asset Based Loan Facility and other borrowings	12	(6)	6	12
	<b>2,965</b>	<b>(31)</b>	<b>2,934</b>	<b>3,110</b>

## Financing activity

2021

At December 31, 2021, the Group had \$240 million available under the \$250 million Global Asset Based Loan Facility, nil of which is drawn.

2020

At December 31, 2020, the Group had \$198 million available under the \$250 million Global Asset Based Loan Facility, nil of which is drawn.

## Effective interest rates

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

	2021		2020	
	USD	EUR	USD	EUR
3.750% Senior Secured Notes due 2026	—	4.04%	—	4.04%
5.500% Senior Secured Notes due 2026	5.84%	—	5.84%	—
Floating Senior Secured (three-month EURIBOR + 3.750%) due 2026	—	4.06%	—	4.06%
8.500% Senior Notes due 2027	8.92%	—	8.92%	—
	Various Currencies		Various Currencies	
Lease Obligation	3.14%		2.93%	

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

	At December 31,	
	2021 \$'m	2020 \$'m
Euro	1,143	1,244
U.S. dollar	1,748	1,741
British pound	22	24
Other	18	21
	<b>2,931</b>	<b>3,030</b>

The Group has the following undrawn borrowing facilities:

	At December 31,	
	2021 \$'m	2020 \$'m
Expiring within one year	—	36
Expiring beyond one year	240	198
	<b>240</b>	<b>234</b>

## Fair value methodology

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

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



Fair values are calculated as follows:

- (i) Senior secured and senior notes - The fair value of debt securities in issue is based on valuation techniques in which all significant inputs are based on observable market data, 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
- (iii) CCIRS - The fair values of the CCIRS are derived using Level 2 valuation inputs
- (iv) Commodity and foreign exchange derivatives - The fair value of these derivatives are based on quoted market prices and represent Level 2 inputs

### Derivative financial instruments

	Assets		Liabilities	
	Fair values \$'m	Contractual or notional amounts \$'m	Fair values \$'m	Contractual or notional amounts \$'m
<i>Fair Value Derivatives</i>				
Metal forward contracts	5	28	—	14
Cross currency interest rate swaps	—	—	2	750
Forward foreign exchange contracts	—	28	—	—
<b>At December 31, 2021</b>	<b>5</b>	<b>56</b>	<b>2</b>	<b>764</b>

	Assets		Liabilities	
	Fair values \$'m	Contractual or notional amounts \$'m	Fair values \$'m	Contractual or notional amounts \$'m
<i>Fair Value Derivatives</i>				
Metal forward contracts	4	46	1	14
Cross currency interest rate swap	—	—	53	750
Forward foreign exchange contracts	—	2	4	190
<b>At December 31, 2020</b>	<b>4</b>	<b>48</b>	<b>58</b>	<b>954</b>

Derivative instruments with a fair value of \$2 million (2020: \$53 million) are classified as non-current liabilities, nil (2020: \$5 million) as current liabilities and \$5 million (2020: \$4 million) as current assets in the consolidated statement of financial position at December 31, 2021.

With the exception of the CCIRS which mature in August 2025, the remaining derivative assets and liabilities mature within one year. With the exception of interest on the CCIRS, all cash payments in relation to derivative instruments are paid or received when they mature. Bi-annual interest cash payments and receipts are made and received in relation to the CCIRS.

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

### Cross currency interest rate swaps

The Group hedges certain portions of its external borrowings and interest payable thereon using CCIRS, with a net liability at December 31, 2021 of \$2 million (December 31, 2020: \$53 million net liability).

**Net investment hedge in foreign operations**

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

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

The Group has designated \$482 million of its 5.5% Senior Secured Notes due 2026 as a net investment hedge. A loss of \$40 million (2020: a gain of \$27 million) was recognized in relation to this hedge in the consolidated statement of comprehensive income.

**Metal swap contracts**

The Group hedges a substantial portion of its anticipated metal purchases. Excluding conversion and freight costs, the physical metal deliveries are priced based on the applicable indices agreed with the suppliers for the relevant month. The Group determines the existence of an economic relationship between the hedged item and the hedging instrument based on common indices used. Ineffectiveness may arise if there are changes in the forecasted transaction in terms pricing, timing or quantities, or if there are changes in the credit risk of the Group or the counterparty. The Group applies a hedge ratio of 1:1.

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

**Foreign exchange forward and swap contracts**

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

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

**17. Employee benefit obligations**

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

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

The contribution rates to the funded plans are agreed with the Trustee boards, plan actuaries and the local pension regulators periodically. In addition, the Group has other employee benefit obligations in certain territories.

Total employee obligations recognized in the consolidated statement of financial position of \$339 million (2020: \$358 million) includes defined benefit pension schemes of \$231 million (2020: \$292 million) and other employee benefit obligations of \$108 million (2020: \$66 million).

### Defined benefit pension schemes

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

	U.S.		Germany		UK		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Obligations	(21)	(22)	(226)	(256)	(147)	(164)	(2)	(4)	(396)	(446)
Assets	24	23	—	—	140	130	1	1	165	154
<b>Net obligations</b>	<b>3</b>	<b>1</b>	<b>(226)</b>	<b>(256)</b>	<b>(7)</b>	<b>(34)</b>	<b>(1)</b>	<b>(3)</b>	<b>(231)</b>	<b>(292)</b>

The Group does not have the right to offset the net asset and obligation position between individual defined benefit pension schemes presented above.

The amounts recognized in the consolidated statement of income are:

	Year ended December 31,	
	2021	2020
	\$'m	\$'m
<i>Current service cost and administration costs:</i>		
Cost of sales – current service cost (Note 7)		(3)
Cost of sales – past service credit (Note 7)		1
SGA – current service cost (Note 7)		—
<b>Total current service cost</b>		<b>(2)</b>
Finance expense (Note 5)		(2)
<b>Total current service cost and administration costs</b>		<b>(4)</b>

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

	Year ended December 31,	
	2021	2020
	\$'m	\$'m
<i>Re-measurement of defined benefit obligation:</i>		
Actuarial gain arising from changes in demographic assumptions	2	4
Actuarial gain/(loss) arising from changes in financial assumptions	7	(12)
Actuarial gain arising from changes in experience	10	3
	<b>19</b>	<b>(5)</b>
<i>Re-measurement of plan assets:</i>		
Actual gain less expected return on plan assets	11	14
<b>Actuarial gain for the year on defined benefit pension schemes</b>	<b>30</b>	<b>9</b>

The actual return on plan assets resulted in a gain of \$14 million in 2021 (2020: \$17 million).

Movement in the defined benefit obligations and assets:

	Obligations		Assets	
	2021 \$'m	2020 \$'m	2021 \$'m	2020 \$'m
<b>At January 1,</b>	(446)	(440)	154	134
Interest income	—	—	3	2
Current service cost	(3)	(4)	—	—
Past service cost	1	—	—	—
Interest cost	(5)	(6)	—	—
Re-measurements	19	(5)	11	14
Assets extinguished on settlements	—	20	—	(20)
Employer contributions	—	—	14	38
Benefits paid	16	18	(16)	(18)
Foreign exchange	22	(29)	(1)	4
<b>At December 31,</b>	<b>(396)</b>	<b>(446)</b>	<b>165</b>	<b>154</b>

The defined benefit obligations above include \$247 million in 2021 (2020: \$279 million) of unfunded obligations.

Plan assets comprise:

	At December 31,			
	2021 \$'m	2021 %	2020 \$'m	2020 %
Equities	57	34	55	36
Target return funds	31	19	34	22
Bonds	43	26	25	16
Cash/other	34	21	40	26
	<b>165</b>	<b>100</b>	<b>154</b>	<b>100</b>

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

### Investment strategy

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

### Characteristics and associated risks

The U.S. sponsors a defined benefit pension plan which is subject to Federal law ("ERISA"), reflecting regulations issued by the Internal Revenue Service ("IRS") and the Department of Labor.

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

The U.K. pension plans are trust-based U.K. funded final salary defined benefit schemes providing pensions and lump sum benefits to members and dependents. The pension plan in the U.K. has been closed to future accrual from July 1, 2014. For this plan, pensions are calculated based on service to the point of closure, but with members' benefits retaining a final salary link while employed by the Company.

The U.K. pension plans are each governed by a board of trustees, which includes members who are independent of the Company. The trustees are responsible for managing the operation, funding and investment strategy. The U.K. pension plans are subject to the U.K. regulatory framework, the requirements of the Pensions Regulator and are subject to a statutory funding objective.

The Group operates a number of defined benefit pension schemes in Germany. The pension plans in Germany operate under the framework of German Company Pension Law (BetrAVG) and general regulations based on German Labor Law. The entitlements of the plan members depend on years of service and final salary. Furthermore, the plans provide the employees with the options of lifelong pensions, a defined amount of installment payments upon reaching retirement age, or a one-time lump sum payment upon reaching such retirement age. No separate assets are held in trust, i.e. the plans are unfunded defined benefit plans.

### Assumptions and sensitivities

The principal pension assumptions used in the preparation of the consolidated financial statements take account of the different economic circumstances in the countries of operations and the different characteristics of the respective plans, including the duration of the obligations.

The ranges of the principal assumptions applied in estimating defined benefit obligations were:

	U.S.		Germany		UK	
	2021 %	2020 %	2021 %	2020 %	2021 %	2020 %
Rates of inflation	N/A	N/A	1.70	1.70	3.00	2.90
Rates of increase in salaries	N/A	N/A	2.50	2.50	3.35	2.90
Discount rates	2.86	2.38	0.00 – 0.99	0.00 – 0.86	1.80	1.35

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

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

	U.S.		Germany		UK	
	2021 Years	2020 Years	2021 Years	2020 Years	2021 Years	2020 Years
Life expectancy, current pensioners	21	21	22	22	21	21
Life expectancy, future pensioners	23	23	25	25	22	22

If the discount rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would increase by an estimated \$30 million (2020: \$39 million). If the discount rate were to increase by 50 basis points, the carrying amount of the pension obligations would decrease by an estimated \$29 million (2020: \$34 million).

If the inflation rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated \$37 million (2020: \$28 million). If the inflation rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated \$20 million (2020: \$25 million).

If the salary increase rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated \$10 million (2020: \$15 million). If the salary increase rate were to increase by 50 basis points, the carrying amount of the pension obligations would decrease by an estimated \$8 million (2020: \$11 million).

The impact of increasing the life expectancy by one year would result in an increase in the Group's liability of \$14 million (2020: \$17 million) at December 31, 2021, holding all other assumptions constant.

The Group's best estimate of contributions expected to be paid to defined benefit plans in 2021 is \$5 million (2020: \$5 million). The principal defined benefit schemes are described briefly below:

Nature of the schemes	Germany Unfunded	UK Funded	U.S. Funded
<b>2021</b>			
Active members	550	55	58
Deferred members	538	274	120
Pensioners including dependents	1,179	423	180
Weighted average duration (years)	10	18	14
<b>2020</b>			
Active members	623	—	58
Deferred members	535	408	126
Pensioners including dependents	1,152	378	176
Weighted average duration (years)	10	20	15

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

	2022 \$'m	2023 \$'m	2024 \$'m	2025 \$'m	2026 \$'m	Subsequent five years \$'m
Benefits	20	17	19	19	20	106

The Group also has defined contribution plans; the contribution expense associated with these plans for 2021 was \$10 million (2020: \$15 million). The Group's best estimate of the contributions expected to be paid to these plans in 2022 is \$9 million.

### Other employee benefits

	At December 31,	
	2021 \$'m	2020 \$'m
End of service employee benefits	22	28
Long-term performance-based plan	73	24
Long-term employee benefits	13	14
	<b>108</b>	<b>66</b>

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

Other long-term employee benefit service costs were \$2 million (2020: \$2 million) and the actuarial gain for the other employee benefit were \$3 million (2020: nil).

The long-term performance-based plan comprises of an annual long-term (five-years) cash-bonus incentive program expected to be payable in 2025 for senior management of the Group.

Long-term employee benefit obligations comprise amounts due to be paid under post-retirement medical schemes in United States of America, partial retirement contracts in Germany and other obligations to pay benefits primarily related to long service awards.

## 18. Provisions

	At December 31,	
	2021 \$'m	2020 \$'m
Current	64	35
Non-current	30	27
	<b>94</b>	<b>62</b>

	Restructuring \$'m	Customer Claims \$'m	Environmental \$'m	Other provisions \$'m	Total provisions \$'m
<b>At January 1, 2020</b>	<b>9</b>	<b>6</b>	<b>10</b>	<b>34</b>	<b>59</b>
Disposals	(1)	(1)	—	—	(2)
Provided	10	13	4	(6)	21
Released	(1)	(5)	—	(2)	(8)
Paid	(6)	(1)	—	(1)	(8)
Foreign exchange	(1)	1	—	—	—
<b>At December 31, 2020</b>	<b>10</b>	<b>13</b>	<b>14</b>	<b>25</b>	<b>62</b>
Disposals	—	—	—	—	—
Provided	59	12	—	13	84
Released	—	(5)	(5)	(3)	(13)
Paid	(29)	(1)	—	(2)	(32)
Foreign exchange	(2)	(1)	(1)	(3)	(7)
<b>At December 31, 2021</b>	<b>38</b>	<b>18</b>	<b>8</b>	<b>30</b>	<b>94</b>

The restructuring provision relates to redundancy and other restructuring costs. Customer claims comprise product quality and cyber incident related claim provisions. Environmental provisions relate to probable environmental claims. Other provisions comprises tax related indemnification provisions, transformation related provisions as well as legal claims, probable workers compensations and contractual incentives. An environmental provision of \$4 million was released during the year to other payables and accruals.

The majority of the restructuring provision is expected to be paid in 2022. The remaining balance represents longer term provisions for which the timing of the related payments is subject to uncertainty.

## 19. Trade and other payables

	At December 31,	
	2021 \$'m	2020 \$'m
Trade payables	509	437
Other payables and accruals	172	178
Other tax and social security payable	26	24
Payables and accruals for exceptional items	13	17
Related party payable	3	1
	<b>723</b>	<b>657</b>

The fair values of trade and other payables approximate the amounts shown above. Other payables and accruals mainly comprise accruals for operating expenses.

## 20. Cash generated from operating activities

	Year ended December 31,	
	2021 \$'m	2020 \$'m
<b>Loss for the year</b>	<b>(129)</b>	<b>(101)</b>
Income tax charge (Note 6)	1	1
Net finance expense (Note 5)	167	158
Depreciation and amortization (Notes 8, 9)	286	265
Exceptional operating items (Note 4)	77	58
Long-term performance-based plan (Note 17)	49	24
Movement in working capital	(16)	34
Transaction-related and other exceptional incident costs paid	(25)	(54)
Exceptional restructuring paid	(29)	(8)
<b>Cash generated from operating activities</b>	<b>381</b>	<b>377</b>

## 21. Related party information

### (i) Joint venture

At December 31, 2021, the Group owns 49% of shares in Copal SAS. Transactions and balances outstanding with Copal SAS are not material for the year ended and as at December 31, 2021.

### (ii) Key management compensation

Key management are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group. Key management is comprised of the Group's senior management team during the reporting period. The amount outstanding at year end was \$65 million (2020: \$26 million).

	Year ended December 31,	
	2021 \$'m	2020 \$'m
Salaries and other short-term employee benefits	16	12
Other compensation	35	23
<b>Total key management compensation</b>	<b>51</b>	<b>35</b>

### (iii) Pension schemes

The Group's pension schemes are considered related parties. For details of all transactions during the year, please see Note 17.

### (iv) Related party balances

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 accounting and 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 \$11 million (2020: \$19 million) in respect of the MSA in the year ended December 31, 2021. The Group recorded proceeds of \$3 million (2020: nil) in relation to the sale of a warehouse located in Germany to Ardagh.



At December 31, 2021 the Group has a net related party payable owing to Ardagh of nil (2020: \$1 million) and net related party payable to the Dutch pension fund of \$3 million (2020: nil).

**(v) Subsidiaries**

The following table provides information relating to our principal operating subsidiaries, all of which are wholly owned, at December 31, 2021.

<b>Company</b>	<b>Country of incorporation</b>	<b>Activity</b>
Trivium Packaging Czech Republic s.r.o. ....	Czech Republic	Metal Packaging
Trivium Packaging Germany GmbH .....	Germany	Metal Packaging
Trivium Packaging Erfstadt GmbH .....	Germany	Metal Packaging
Trivium Packaging Denmark A/S .....	Denmark	Metal Packaging
Trivium Packaging Iberica SA .....	Spain	Metal Packaging
Trivium Packaging U.K. Ltd.....	United Kingdom	Metal Packaging
Trivium Packaging West France SAS.....	France	Metal Packaging
Trivium Metal Packaging France SAS.....	France	Metal Packaging
Trivium Aluminum Packaging France SAS.....	France	Metal Packaging
Trivium Packaging Hungary Kft. ....	Hungary	Metal Packaging
Trivium Aluminum Packaging Hungary Kft. ....	Hungary	Metal Packaging
Trivium Packaging Italy Srl .....	Italy	Metal Packaging
Trivium Packaging Korea Chusik Hoesa .....	South Korea	Metal Packaging
Trivium Packaging Morocco SAS .....	Morocco	Metal Packaging
Trivium Packaging Netherlands B.V. ....	Netherlands	Metal Packaging
Trivium Aluminum Packaging Netherlands B.V. ....	Netherlands	Metal Packaging
Trivium Packaging Finance B.V. ....	Netherlands	Finance Company
Trivium Packaging Treasury B.V. ....	Netherlands	Treasury Company
Trivium Packaging Poland Sp.Z.o.o. ....	Poland	Metal Packaging
Trivium Packaging Romania S.A.....	Romania	Metal Packaging
Trivium Packaging Vyazma LLC .....	Russia	Metal Packaging
Trivium Packaging (Seychelles) Ltd.....	Seychelles	Metal Packaging
Trivium Packaging Ukraine LLC.....	Ukraine	Metal Packaging
Trivium Packaging Canada Limited.....	Canada	Metal Packaging
Trivium Packaging USA Inc. ....	United States	Metal Packaging
Trivium Aluminum Packaging USA Corporation.....	United States	Metal Packaging
Trivium Packaging Argentina S.A. ....	Argentina	Metal Packaging
Trivium Packaging Brasil – Fabricacao de Embalagens de Alumínio Ltda .....	Brazil	Metal Packaging

**22. Financial risk factors**

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

**Capital structure and risk**

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

The Group's overall treasury objectives are to ensure sufficient funds are available for the Group to carry out its strategy and to manage certain financial risks to which the Group is exposed, details of which are provided below.

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

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

**Interest rate risk**

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

At December 31, 2021, the Group's external borrowings were 83.2% (2020: 82.2%) fixed with a weighted average interest rate of 5.2% (2020: 5.2%). The weighted average interest rate of the Group for the year ended December 31, 2021 was 4.9% (2020: 4.9%).

Holding all other variables constant, including levels of the Group's external indebtedness, at December 31, 2021 a one percentage point increase in variable interest rates would increase interest payable by approximately \$5 million (2020: \$5 million) for a 12-month period.

**Currency exchange risk**

The Group presents its consolidated financial information in U.S. dollar.

The Group operates in twenty countries, across five continents and its main currency exposure in the year to December 31, 2021, from the euro functional currency, were in relation to the U.S. dollar, British pound, Polish zloty, Danish krone, Czech koruna, Russian Ruble, Ukrainian Hryvnia and from the U.S. dollar functional currency, were in relation to the Argentinian peso and Brazilian real. Currency exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

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

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

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

Fluctuations in the value of these currencies with respect to the euro functional currency may have a significant impact on the Group's financial condition and results of operations. When considering the Group's position, the Group believes that a strengthening of the euro exchange rate (the functional currency of Trivium Packaging B.V.) by 1% against all other foreign currencies from the December 31, 2021 rate would decrease shareholders' equity by approximately \$8 million (2020: \$8 million).

### **Commodity price risk**

The Group is exposed to changes in prices of its main raw materials, primarily steel, aluminum and energy. Production costs are exposed to changes in prices of our main raw materials, primarily steel and aluminum. Steel price has a variable cost associated with its raw material components, coking coal and iron ore. As coking coal and iron ore are priced in U.S. dollars, fluctuations in the U.S. dollar/euro rate also effect their euro cost. The price and foreign currency risk on the steel purchases are hedged by entering into swaps under which we pay fixed euro. The hedging market for coking coal is a relatively new market which does not have the depth of the iron ore and aluminum market and as a consequence, there might be limitations to placing hedges in the market. Aluminum ingot is traded daily as a commodity on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/euro rate also affect the euro cost of aluminum ingot. The price and foreign currency risk on the aluminum purchases are hedged by entering into swaps which pays fixed euro and U.S. dollar prices, respectively. Furthermore, the relative price of oil and its by-products may materially impact our business, affecting our transport, lacquer and ink costs.

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

As a result of the volatility of gas and electricity prices, the Group has either included energy pass-through clauses in our sales contracts or developed an active forward-hedging strategy to fix a significant proportion of our energy costs through contractual arrangements directly with our suppliers, where there is no energy clause in the sales contract.

Where pass-through contracts do not exist the Group policy is to purchase gas and electricity by entering into forward price-fixing arrangements with suppliers for the bulk of our anticipated requirements for the year ahead. Such contracts are used exclusively to obtain delivery of our anticipated energy supplies. The Group does not net settle, nor do we sell within a short period of time after taking delivery. The Group avails of the own use exemption and, therefore, these contracts are treated as executory contracts.

The Group typically builds up these contractual positions in tranches of approximately 10% of the anticipated volumes. Any gas and electricity which is not purchased under forward price-fixing arrangements is purchased under index tracking contracts or at spot prices. As at December 31, 2021, we have 77% and 43% of our energy risk covered for 2022 and 2023, respectively.

### **Credit risk**

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

Group policy is to extend credit to customers of good credit standing. Credit risk is managed on an on-going basis, by experienced personnel within the Group. The Group's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilization of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset. For the year ended December 31, 2021, the Group's ten largest customers accounted for approximately 40% of total revenues (2020: 42%). There is no recent history of default with these customers.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to centralized Treasury. Treasury invests surplus cash in interest-bearing current accounts and time deposits with appropriate maturities to provide sufficient headroom as determined by the below-mentioned forecasts.

### **Liquidity risk**

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

To effectively manage liquidity risk, the Group:

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

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

## **23. 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 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*

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. had agreed to provide an indemnity in respect of certain losses that Trivium might incur in connection with this investigation. In June 2021, the European Commission closed the proceedings against Trivium without a fine.

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 matters, 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.

## **24. Exceptional incidents and related insurance recovery income**

During 2021, the Group was the subject of two exceptional incidents, being a cyber security incident as a result of a ransomware attack and a flooding incident at its plant in Erftstadt, Germany, due to extreme weather conditions. In addition, the Group had a fire incident at its plant in Roanoke, Virginia, United States of America during 2019.

All incidents were covered under the Group's insurance policies and settled prior to the issuance of these consolidated financial statements. As a result, the Group recognized an amount of \$95 million (2020: \$5 million) as insurance recovery income broken down as follows:

	Year ended December 31, 2021			Year ended December 31, 2020		
	Before exceptional items \$'m	Exceptional items \$'m	Total \$'m	Before exceptional items \$'m	Exceptional items \$'m	Total \$'m
Cost of sales	—	22	22	—	5	5
Sales, general and administration expenses	41	32	73	—	—	—
<b>Total insurance recovery income</b>	<b>41</b>	<b>54</b>	<b>95</b>	<b>—</b>	<b>5</b>	<b>5</b>

#### *Cyber security incident*

On May 2, 2021, the Group was the subject of a cyber security incident, affecting many of its core IT systems and some of its production operated at reduced capacity. The incident has now been contained and all of the Group's key systems have been brought back online securely. With the support of leading industry specialists, management has accordingly implemented additional security improvements and further enhanced the security of the Group's IT systems. Management believes that the Group's information technology control environment is appropriately robust. In addition to addressing any findings from these assessments, management has reviewed the Group's information technology roadmap and has accelerated its planned IT investments thereby further improving the effectiveness of the Group's information security.

The total estimated impact of the cyber security incident was \$55 million, of which \$32 million related to business interruption losses and \$23 million of exceptional costs, respectively. The Group settled the related insurance claim with the insurers in the amount of \$32 million which was recorded as an insurance recovery income and was fully allocated to non-exceptional SG&A within the consolidated statement of income at December 31, 2021. Of such recovery, \$11 million had been received from the insurance company prior to the reporting date with the remainder received prior to the issuance of these consolidated financial statements.

#### ***Flooding incident***

On July 15, 2021, a plant in Erfstadt, Germany, was flooded due to severe weather conditions in the region. As a result, production and logistic operations were severely impacted. This incident also resulted in a write-off of inventory and items of property, plant and equipment.

The total estimated impact from the flooding incident to date was \$29 million, of which \$9 million relates to business interruption losses, and \$20 million of exceptional costs, respectively. The Group settled the related claim with the insurer in the amount of \$61 million which was recorded as an insurance recovery income, of which \$9 million was allocated to non-exceptional SG&A, \$20 million to exceptional cost of sales and \$32 million to exceptional SG&A in the consolidated statement of income. Of such recovery, \$40 million had been received from the insurance company prior to the reporting date with the remainder received prior to the issuance of these consolidated financial statements.

#### ***Fire incident***

During 2019, the Group had a fire incident in its plant in Roanoke, Virginia, United States of America. The Group settled the related claim with the insurer of which an amount of \$2 million (2020: \$5 million) was recognized as insurance recovery income allocated to the exceptional cost of sales within the consolidated statement of income.

## **25. Events after the reporting period**

We are closely monitoring the developments of the invasion of Russia into Ukraine on February 24, 2022, and the impact it might have on our operations locally as well as the impact on energy prices and the world economy. We operate in the Ukraine with two plants and one plant in Russia. Total external revenues and assets in Ukraine and Russia at the reporting date contributed approximately 1% of the Group's total revenue and assets, respectively.

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