TRIVIUM PACKAGING

Interim Report to Bondholders

For the three months ended
March 31, 2020

INDEX TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Trivium Packaging B.V.

Unaudited Consolidated Interim Financial Statements

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

TRIVIUM PACKAGING B.V.
CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited		
		Three months ended March 31, 2020		
	Note	Before exceptional items $'m	Exceptional items $'m	Total $'m
			Note 5	
Revenue	4	619	—	619
Cost of sales		(520)	(10)	(530)
Gross profit		**99**	**(10)**	**89**
Sales, general and administration expenses		(45)	(4)	(49)
Intangible amortization	7	(7)	—	(7)
Operating profit		**47**	**(14)**	**33**
Net finance expense	6	(46)	2	(44)
Profit / (loss) before tax		**1**	**(12)**	**(11)**
Income tax credit		2	3	5
Profit / (loss) for the period		**3**	**(9)**	**(6)**

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

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

	Note	Unaudited Three months ended March 31, 2020 $'m
Loss for the period		**(6)**
Other comprehensive income:		
Items that may subsequently be reclassified to income statement		
Foreign currency translation adjustments:		
—Arising in the period		(28)
		(28)
Effective portion of changes in fair value of cash flow hedges:		
—New fair value adjustments into reserve		58
—Movement out of reserve to income statement		(19)
—Movement in deferred tax		2
		41
(Loss) recognized on cost of hedging:		
—New fair value adjustments into reserve		(3)
—Movement in deferred tax		1
		(2)
Items that will not be reclassified to income statement		
—Re-measurement of employee benefit obligations	10	19
—Deferred tax movement on employee benefit obligations		(5)
		14
Total other comprehensive income for the period		**25**
Total comprehensive income for the period		**19**

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

TRIVIUM PACKAGING

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

	Note	Unaudited At March 31, 2020 $'m	Unaudited Re-presented (i) At December 31, 2019 $'m
Non-current assets			
Intangible assets	7	2,544	2,607
Property, plant and equipment	7	1,435	1,481
Deferred tax assets		59	69
Derivative financial instruments	9	55	—
Other non-current assets		5	5
		4,098	**4,162**
Current assets			
Inventories		399	394
Trade and other receivables		378	335
Derivative financial instruments		4	—
Contract assets		33	31
Cash and cash equivalents		219	157
		1,033	**917**
TOTAL ASSETS		**5,131**	**5,079**
Equity			
Issued capital	8	44	44
Share premium		927	927
Other reserves		23	12
Retained earnings		(100)	(108)
TOTAL EQUITY		**894**	**875**
Non-current liabilities			
Borrowings	9	2,856	2,884
Employee benefit obligations	10	296	345
Derivative financial instruments		1	8
Deferred tax liabilities		178	180
Provisions		13	14
Deferred income		19	20
		3,363	**3,451**
Current liabilities			
Borrowings	9	163	93
Interest payable		39	8
Employee benefit obligations	10	17	—
Derivative financial instruments		7	1
Trade and other payables		623	624
Income tax payable		9	9
Provisions		16	18
		874	**753**
TOTAL LIABILITIES		**4,237**	**4,204**
TOTAL EQUITY and LIABILITIES		**5,131**	**5,079**

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

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

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

	Unaudited						
	Attributable to the owner of the parent						
	Share capital $'m Note 8	**Share premium $'m**	**Foreign currency translation reserve $'m**	**Cash flow hedge reserve $'m**	**Cost of hedging reserve $'m**	**Retained earnings $'m**	**Total Equity $'m**
At January 1, 2020	**44**	**927**	**7**	**3**	**2**	**(108)**	**875**
Loss for the period	—	—	—	—	—	(6)	**(6)**
Other comprehensive income for the period	—	—	(28)	41	(2)	14	**25**
At March 31, 2020	**44**	**927**	**(21)**	**44**	**—**	**(100)**	**894**

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

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

	Note	Unaudited Three months ended March 31, 2020 $'m
Cash flows from operating activities		
Cash generated from operations	11	35
Income tax paid		(3)
Interest paid		(1)
Net cash from operating activities		31
Cash flows from investing activities		
Purchase of property, plant and equipment		(31)
Purchase of intangible assets		(4)
Proceeds from disposal of property, plant and equipment		5
Net cash used in investing activities		(30)
Cash flows from financing activities		
Proceeds from borrowings	9	74
Repayment of borrowings		(4)
Lease payments		(4)
Debt issue costs paid		(2)
Net cash inflow from financing activities		64
Net increase in cash and cash equivalents		**65**
Cash and cash equivalents at the beginning of the period		157
Exchange losses on cash and cash equivalents		(3)
Cash and cash equivalents at the end of the period		**219**

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

TRIVIUM PACKAGING

TRIVIUM PACKAGING B.V.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Trivium Packaging B.V. (the "Company") was incorporated in the Netherlands on July 8, 2019. The Company's registered office is Schiphol Boulevard 127, WTC Schiphol, Tower G, 1118BG 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 packaging solutions. The Group's products mainly include metal containers primarily for food and aerosols markets. End-use categories include food, nutrition, seafood, premium beverage offerings, paints & coatings, chemicals, personal care, pharmaceuticals and general household end-use categories.

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

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

2. Statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the unaudited consolidated interim financial statements. Changes to accounting policies applied in the three months ended March 31, 2020 are outlined in Note 3.

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

The unaudited consolidated interim financial statements were approved for issue by the Supervisory Board of Trivium Packaging B.V. (the "Supervisory Board") on April 28, 2020.

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

Basis of preparation

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

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

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

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

Re-presentation of prior year comparatives

In accordance with IFRS 3 "Business Combinations", a number of fair value adjustments were made in relation to the net assets acquired as part of the Food & Specialty business and Exal business acquisition. Accordingly, the consolidated interim statement of financial position at December 31, 2019 has been re-presented to reflect the revised fair values. This re-presentation has no impact on the consolidated interim income statement, consolidated interim statement of other comprehensive income, consolidated interim statement of changes in equity or consolidated interim statement of cash flows as previously reported. Please refer to note 13 for details of the provisional fair value of assets acquired and liabilities assumed as part of the acquisition.

Recent accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2020 have been assessed by management and no new standards or amendments to existing standards effective after January 1, 2020 are expected to have a material impact for the Group. Management's assessment of the impact of new standards, which are not yet effective and which have not been early adopted by the Group, on the unaudited consolidated interim financial statements and disclosures is on-going.

4. Segment and revenue analysis

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

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

Reconciliation of loss for the period to Adjusted EBITDA

	Three months ended March 31, 2020 $'m
Loss for the period	(6)
Income tax credit	(5)
Net finance expense (Note 6)	44
Depreciation and amortization (Note 7)	38
Exceptional operating items (Note 5)	14
Adjusted EBITDA	**85**

Segment results for the three months ended March 31, 2020 are:

	Europe $'m	Americas $'m	Group $'m
Revenue	450	169	**619**
Adjusted EBITDA	53	32	**85**

One customer accounted for greater than 10% of total revenue in the three months ended March 31, 2020, in the Americas segment.

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

The following illustrates the disaggregation of revenue by destination for the three months ended March 31, 2020:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Europe	426	2	22	450
Americas	1	134	34	169
Group	**427**	**136**	**56**	**619**

5. Exceptional items

	Three months ended March 31, 2020 $'m
Restructuring and other costs	10
Exceptional items - cost of sales	**10**
Integration-related costs	4
Exceptional items - SGA expenses	**4**
Exceptional finance income	(2)
Exceptional items - finance income	**(2)**
Exceptional income tax credit	(3)
Total exceptional items, net of tax	**9**

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

Exceptional items before tax of $12 million have been recognized for the three months ended March 31, 2020, primarily comprising:

- $10 million of restructuring and other costs which includes $6 million of foreign currency losses predominantly relating to a 29% devaluation of the Brazilian Real versus the US Dollar and $2 million of cleaning costs incurred as a result of the fire in the Roanoke plant in the Food & Specialty North America business.
- $4 million of acquisition and integration costs following the formation of the Group in 2019.
- $2 million of exceptional finance income relates to foreign currency gains on lease obligations denominated in Brazilian Real.

6. Finance income and expense

	Three months ended March 31, 2020 $'m
Senior Secured and Senior Notes	37
Other interest expense	4
Interest expense	**41**
Net foreign currency translation losses	6
Net pension interest costs	1
Gains on derivative financial instruments	(2)
Finance expense before exceptional items	**46**
Exceptional finance income (Note 5)	(2)
Net finance expense	**44**

7. Intangible assets and property, plant and equipment

	Goodwill $'m	Customer relationships $'m	Technology and other $'m	Software $'m	Total intangible assets $'m	Property, plant and equipment $'m
Net book value at January 1, 2020 (as reported)	**2,408**	**66**	**40**	**41**	**2,555**	**1,481**
Fair value adjustments	52	—	—	—	52	—
Net book value at January 1, 2020	**2,460**	**66**	**40**	**41**	**2,607**	**1,481**
Additions	—	—	1	3	4	27
Disposals	—	—	—	—	—	(6)
Charge for the period	—	(5)	(2)	—	(7)	(31)
Foreign exchange	(56)	(2)	(1)	(1)	(60)	(36)
Net book value at March 31, 2020	**2,404**	**59**	**38**	**43**	**2,544**	**1,435**

With the exception of additions, the above amounts are subject to the finalization of purchase price allocation. Additions in the two-month period to December 31, 2019 that are included in the net book value at January 1, 2020 are also not subject to the finalization of purchase price allocation.

At March 31, 2020, the carrying amount of the right-of-use assets included within property, plant and equipment was $91m.

The Group recognized a depreciation charge of $31 million in the three months ended March 31, 2020.

Allocation of goodwill

Goodwill has not been allocated to groups of CGUs for the purpose of impairment testing. The allocation will be finalized over the course of 2020 following completion of purchase price allocation.

Impairment test for goodwill

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

Management has considered whether any impairment indicators existed at the reporting date, or subsequently to the date that the unaudited consolidated interim financial statements were approved for issue by the Supervisory Board, including assessing whether the Group had experienced or is expected to experience prolonged cessation of operations or had suffered or is expected to suffer either an immediate significant decline in demand or prices and profitability as a result of COVID-19. In addition, management assessed the likely impact of potential reduced economic activity in the markets in which the Group operates. Since the Company is operating in a defensive industry and the Group's anticipated future trading performance is expected to continue to be comparable to that previously anticipated by management, the results of the assessment were such that no impairment indicators have been identified and management have concluded that the goodwill is fully recoverable as at March 31, 2020.

8. Issued capital

Share capital

Issued and fully paid shares:

	Common shares (par value €1) (million)	Total $'m
At January 1, & March 31, 2020	**40**	**44**

There were no share transactions in the three months ended March 31, 2020.

9. Financial assets and liabilities

At March 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
		Local currency m			Local currency m	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	685	–
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	389	–
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	–
Global Asset Based Loan Facility	USD	170	31-Oct-24	Revolving	144	144	26
Lease Obligations	Various	-	-	Amortizing	-	93	–
Other borrowings/credit lines	USD/EUR	-	Rolling	Amortizing	-	–	–
Total borrowings / undrawn facilities						**3,061**	**26**
Deferred debt issue costs						(42)	–
Net borrowings / undrawn facilities						**3,019**	**26**
Cash and cash equivalents						(219)	219
Derivative financial instruments used to hedge foreign currency and interest rate risk						(55)	–
Net debt / available liquidity						**2,745**	**245**

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

The fair value of the Group's total borrowings excluding lease obligations at March 31, 2020 is $2,854 million (December 31, 2019: $3,106 million).

At March 31, 2020, the Group had $170 million available under the $250 million Global Asset Based Loan Facility, $144 million of which is drawn.

Certain 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 secured borrowings to Adjusted EBITDA and a minimum Adjusted EBITDA to interest expense), payment of dividends and incurrence of liens. The Global Asset Based Loan Facility is subject to a springing fixed charge coverage ratio covenant. The facility also includes cash dominion, representations, warranties, events of default and other covenants that are generally of a nature customary for such facilities.

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

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	702	—
5.500% Senior Secured Notes	USD	1,050	15-Aug-26	Bullet	1,050	1,050	—
Floating Senior Secured (three-month EURIBOR + 3.750%)	EUR	355	15-Aug-26	Bullet	355	399	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	171	31-Oct-24	Revolving	70	70	101
Lease Obligations	Various	-	-	Amortising	-	97	—
Other borrowings/credit lines	EUR/USD	-	Rolling	Amortising	-	5	—
Total borrowings / undrawn facilities						**3,023**	**101**
Deferred debt issue costs						(46)	—
Net borrowings / undrawn facilities						**2,977**	**101**
Cash and cash equivalents						(157)	157
Derivative financial instruments used to hedge foreign currency and interest rate risk						9	—
Net debt / available liquidity						**2,829**	**258**

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

	At March 31, 2020 $'m	At December 31, 2019 $'m
Within one year or on demand	163	93
Between one and three years	26	27
Between three and five years	18	18
Greater than five years	2,854	2,885
Total borrowings	**3,061**	**3,023**
Deferred debt issue costs	(42)	(46)
Net borrowings	**3,019**	**2,977**

Cross currency interest rate swaps

The Group hedges certain portions of its external borrowings and interest payable thereon using cross currency interest rate swaps ("CCIRS"), with a net asset at March 31, 2020 of $55 million (December 31, 2019: $8 million net liability).

Fair value methodology

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

Fair values are calculated as follows:

(i) Senior secured and senior notes - The fair value of debt securities in issue is based on valuation techniques in which all significant inputs are based on observable market data, which represent Level 2 inputs.
(ii) Global Asset Based Loan Facility and other borrowings - The estimated value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity and represents Level 2 inputs.
(iii) CCIRS - The fair values of the CCIRS are 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.

10. Employee benefit obligations

Employee benefit obligations at March 31, 2020 have been reviewed in respect of significant changes in the latest actuarial assumptions and asset valuations. A re-measurement gain of $19 million consisting of a decrease in the obligations of $28 million partially offset by a decrease in asset valuations of $9 million has been recognized in the consolidated interim statement of comprehensive income for the three months ended March 31, 2020.

11. Cash generated from operating activities

	Three months ended March 31, 2020 $'m
Loss for the period	**(6)**
Income tax credit	(5)
Net finance expense (Note 6)	44
Depreciation and amortization (Note 7)	38
Exceptional operating items (Note 5)	14
Movement in working capital	(43)
Transaction-related and other exceptional costs paid	(5)
Exceptional restructuring paid	(2)
Cash generated from operating activities	**35**

12. Related party transactions

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

The Group recognized expenses of $6 million in respect of the MSA in the three months ended March 31, 2020.

With the exception of the above, there have been no other material transactions in the three months ended March 31, 2020 with related parties.

At March 31, 2020 the Group has a net related party payable owing to Ardagh of $57 million (December 31, 2019: $16 million). The movement primarily relates to deferred consideration of $37 million in respect of the transaction to combine the Food & Specialty business of Ardagh and the business of Exal.

13. Business combinations

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

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

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

	$'m
Cash and cash equivalents	28
Property, plant and equipment	1,472
Intangible assets	148
Other non-current assets	5
Net working capital *	228
Derivative financial instruments	(3)
Income tax payable	(15)
Net deferred tax liability	(107)
Borrowings **	(270)
Employee benefit obligations	(352)
Total identifiable net assets	**1,134**
Goodwill	2,432
Total consideration	**3,566**

*Net working capital includes trade receivables of $311 million.
**Borrowings includes lease obligations of $97 million.

The allocations above are based on management's preliminary estimate of the fair values. Total consideration consists of cash consideration paid of $2,558 million, an estimated accrued payable of $37 million (subject to the final agreement of customary completion adjustments) and non-cash equity consideration of $971 million.

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

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

	$'m
Cash consideration paid	2,558
Cash and cash equivalents acquired	(28)
Net cash outflow	**2,530**

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

14. Contingencies

Environmental issues

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

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

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

Legal matters

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

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

15. Seasonality of operations

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

16. Other information

COVID-19

The outbreak of 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. This may include an adverse effect from reduced global economic activity and resulting demand for our customers' products and, therefore, the products we manufacture. It may also adversely affect our ability to operate our business, including potential disruptions to our supply chain and workforce. The COVID-19 impact on capital markets could also impact our cost of borrowing.

We expect the ultimate significance of the impact of these disruptions will be determined by the length of time that such disruptions continue which will, in turn, depend on the duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic.

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

Business Continuity:

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

Employee health and safety:

The health and safety of our 8,000 employees and their families and communities, as well as our contractors, suppliers and customers has been our highest priority since the outbreak of the crisis. We established a Group-wide task force to ensure an effective and consistent response across our business. Regular updates have been issued with dedicated communication of recommendations, policies and procedures. Communication with all stakeholders has been a core element in our response.

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

Available liquidity

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

As a precautionary measure in response to the increased macroeconomic uncertainty related to COVID-19, we have increased our cash on hand and total available liquidity, by drawing on our Global Asset Based Loan facility during March 2020. The Group had $219 million in cash and cash equivalents and restricted cash as of March 31, 2020, as well as available but undrawn liquidity of $26 million under its credit facilities.

Going concern

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

In assessing whether the going concern assumption is appropriate, the Boards have taken into account all available information about a period, extending to at least, 30 April, 2021. In particular, the Boards have considered the outbreak of the novel coronavirus and measures to prevent its spread being imposed by Governments in the countries in which the Group, its suppliers and its customers operate as previously referred to.

In arriving at its conclusion, the Boards have taken account of the Group's current and anticipated trading performance, together with current and anticipated levels of cash and net debt and the availability of committed borrowing facilities and developed scenarios to reflect potential COVID-19 impacts on the Group's liquidity. Management has developed scenarios to reflect potential COVID-19 impacts on the Group's liquidity. These ultimately informed the Boards' judgement that it is appropriate to prepare the unaudited consolidated interim financial statements using the going concern basis.

Customer credit risk

Group policy is to extend credit to customers of good credit standing. Credit risk is managed on an on-going basis, by experienced people within the Group. The Group's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of 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. The Group monitors actual historical credit losses and adjusts for forward-looking information to measure the level of expected losses.

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

Further relevant information is contained within these unaudited consolidated interim financial statements as follows:

- Note 7: Intangible assets and property, plant and equipment - Impairment test for goodwill
- Note 9: Financial assets and liabilities - Maturity profile of the Group's borrowings.
- Note 15: Seasonality of operations
- Note 17: Events after the reporting period

17. Events after the reporting period

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

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

SELECTED FINANCIAL INFORMATION

The following discussion should be read together with, and is qualified in its entirety by, reference to the Unaudited Consolidated Interim Financial Statements for the three months ended March 31, 2020 including the related notes thereto. As used in this section, the "Group" refers to Trivium Packaging B.V. and its subsidiaries.

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

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

	Unaudited (in $ millions, except percentages)
	Three months ended March 31, 2020
Income statement data	
Revenue	619
Adjusted EBITDA [(1)]	85
Depreciation and amortization	(38)
Exceptional operating items [(2)]	(14)
Finance expense [(3)]	(44)
Loss before tax	**(11)**
Income tax credit	5
Loss after tax	**(6)**
Other data	
Adjusted EBITDA margin [(1)]	13.7%
Interest expense [(3)]	41
Capital expenditure [(4)]	30
Ratio of net debt to LTM adjusted EBITDA * [(1)(7)(8)]	6.86x
Balance sheet data	
Cash [(5)]	219
Total assets	5,131
Net borrowings [(6)]	3,019
Total equity	894
Net debt [(7)]	2,745

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

All footnotes are on page 22 of this document.

OPERATING AND FINANCIAL REVIEW

Pro Forma Operating Results

The consolidated results for the three months ended March 31, 2020 and 2019 are presented below. The consolidated results for the three months ended March 31, 2019 are presented on a pro-forma basis as if the transaction to combine the Food & Specialty business of Ardagh Group S.A ("Ardagh") and Exal Corporation to form the Trivium Group was completed on January 1, 2019.

Reported Currency	Unaudited - Reported (in $ millions, except percentages) Three months ended March 31,	
	2020	**2019**
		Pro Forma
Revenue		
Europe	450	480
Americas	169	173
Group	**619**	**653**
Adjusted EBITDA [1]		
Europe	53	72
Americas	32	35
Group	**85**	**107**
Adjusted EBITDA margin [1]		
Europe	11.8%	15.0%
Americas	18.9%	20.2%
Group	**13.7%**	**16.4%**

Constant Currency	Unaudited - Constant Currency (in $ millions, except percentages) Three months ended March 31,	
	2020	**2019**
		Pro Forma
Revenue		
Europe	450	468
Americas	169	173
Group	**619**	**641**
Adjusted EBITDA [1]		
Europe	53	70
Americas	32	35
Group	**85**	**105**
Adjusted EBITDA margin [1]		
Europe	11.8%	15.0%
Americas	18.9%	20.2%
Group	**13.7%**	**16.4%**

All footnotes are on page 22 of this document.

Review of the period

Three months ended March 31, 2020

Group

Revenue for the three-month period ended March 31, 2020 decreased by $34 million, or 5%, to $619 million, compared with $653 million for the pro-forma three-month period ended March 31, 2019. Adjusted EBITDA for the three-month period ended March 31, 2020 decreased by $22 million, or 21%, to $85 million, compared with $107 million in the pro-forma three-month period ended March 31, 2019.

Europe

Revenue for the three-month period ended March 31, 2020 decreased by $30 million, or 6%, to $450 million, compared with $480 million in the pro-forma three-month period ended March 31, 2019. The decrease in revenue is due to unfavorable foreign currency translation, unfavorable volume/mix effects (including a higher stock build in prior year) and lower raw material costs pass-through. Adjusted EBITDA for the three-month period ended March 31, 2020 decreased by $19 million, or 26%, to $53 million, compared with $72 million in the pro-forma three-month period ended March 31, 2019. The decrease in adjusted EBITDA is due mainly to unfavorable volume/mix effects, higher operational absorption in prior year as well as the negative year-on-year tinplate revaluation effect.

Americas

Revenue for the three-month period ended March 31, 2020 decreased by $4 million or, 2%, to $169 million, compared with $173 million for the pro-forma three-month period ended March 31, 2019. The decrease in revenue primarily relates to the pass-through of lower raw material input costs in both our Aerosols business and North American food business and the effect of the divestment in South America, partly offset by favorable volume/mix effect in the North American food business. Adjusted EBITDA for the three-month period ended March 31, 2020 decreased by $3 million, or 9%, to $32 million, compared with $35 million for the pro-forma three-month period ended March 31, 2019. The decrease in adjusted EBITDA is due mainly to a negative year-on-year tinplate revaluation effect.

Capital Expenditure

	Europe $'m	Americas $'m	Group $'m
Capital expenditure	27	3	30

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

Liquidity and Capital Resources at March 31, 2020

Our principal sources of cash are cash generated from operations and external financings, including borrowings and other credit facilities. Our principal funding arrangements include borrowings available under the Group's Global Asset Based Loan Facility. These and other sources of external financing are described further in the following table.

The following table outlines our principal financing arrangements as of March 31, 2020.

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount
		Local currency m			Local currency m	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	685	–
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	389	–
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	–
Global Asset Based Loan Facility	USD	170	31-Oct-24	Revolving	144	144	26
Lease Obligations	Various	-	-	Amortizing	-	93	–
Other borrowings/credit lines	USD/EUR	-	Rolling	Amortizing	-	–	–
Total borrowings / undrawn facilities						**3,061**	**26**
Deferred debt issue costs						(42)	–
Net borrowings / undrawn facilities						**3,019**	**26**
Cash and cash equivalents						(219)	219
Derivative financial instruments used to hedge foreign currency and interest rate risk						(55)	–
Net debt / available liquidity						**2,745**	**245**

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

As a precautionary measure in response to the increased macroeconomic uncertainty related to COVID-19, we have increased our cash on hand and total available liquidity, by drawing on our Global Asset Based Loan facility during March 2020. The Group had $219 million in cash and cash equivalents and restricted cash as of March 31, 2020, as well as available but undrawn liquidity of $26 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 for certain receivables, accounted for as true sales of receivables, without recourse to the Group. Receivables of $150 million were sold under these programs at March 31, 2020 (December 31, 2019: $188 million).

Footnotes to the Selected Financial Information

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

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

(3) Finance and interest expense is as defined on page 9.

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

(5) Cash and cash equivalents include restricted cash.

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

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

(8) Net debt to adjusted LTM EBITDA ratio at March 31, 2020 of 6.86x, is based on net debt at March 31, 2020 of $2,745 million and pro forma last twelve months EBITDA of $400 million. See Note 9 to the unaudited consolidated interim financial statements for details of financing activity during the period ended March 31, 2020.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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