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Report to Bondholders

For the period ended December 31, 2019

TRIVIUM PACKAGING

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Presentation of Financial and Other Information

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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 packaging solutions. The Group's products 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.

The financial statements reflect a two-month trading period for Trivium that is included within an approximate six-month period since the date of incorporation on July 8, 2019.

On October 31, 2019 the transaction to combine the Food & Specialty ("F&S") business of Ardagh Group S.A. ("Ardagh") with the business of Exal ("Exal") to form Trivium was completed. Ontario Teachers' Pension Plan Board ("OTPP") holds a stake of approximately 58 percent while Ardagh holds a stake of approximately 42 per cent in the Group. Trivium is jointly controlled by OTPP and Ardagh.

GROUP NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS – BASIS OF PREPARATION

The non-statutory consolidated financial statements of the Group have been prepared in accordance with, and are in compliance with, International Financial Reporting Standards ("IFRS") as adopted 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 adopted 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;
- 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; and
- preliminary purchase price accounting adjustments are stated at fair value.

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

The non-statutory consolidated financial statements for the Group were authorized for issue by the Supervisory Board of Trivium Packaging B.V. on March 4, 2020.

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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;
- varied seasonal demands for food packaging products;
- decline 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;
- 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.

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Selected Financial Information

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SELECTED FINANCIAL INFORMATION

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

On October 31, 2019 the transaction to combine the F&S business of Ardagh with the business of Exal to form Trivium was completed. With the exception of the pro forma ratio of net debt to Adjusted EBITDA, the consolidated results presented below include the operating results of the Group for the two-month trading period to and balance sheet data at December 31, 2019. Pro forma ratio of net debt to Adjusted EBITDA is presented on a pro forma basis as if the combination of the Food & Specialty business and the Exal business had occurred on January 1, 2019.

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

	Audited* (in $ millions, except percentages)
	Period Ended December 31, 2019
Income statement data	
Revenue	351
Adjusted EBITDA [1]	30
Depreciation and amortization	(26)
Exceptional operating items [2]	(61)
Finance expense - non exceptional [3]	(25)
Exceptional finance expense [2]	(31)
Loss before tax	(113)
Income tax charge for the period	(1)
Loss for the period	**(114)**
Other data	
Adjusted EBITDA margin [1]	8.5%
Interest expense [4]	29
Capital expenditure [5]	14
Ratio of net debt to adjusted EBITDA * [1][8][9]	6.7x
Balance sheet data	
Cash [6]	157
Total assets	5,033
Net borrowings [7]	2,977
Total equity	875
Net debt [8]	2,829

* Adjusted EBITDA used to calculate the ratio of net debt to Adjusted EBITDA is an unaudited pro-forma full year Adjusted EBITDA, as if the combination of the F&S business and the Exal business had occurred on January 1, 2019.

All footnotes are on page 12 of this document.

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Operating and Financial Review

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OPERATING AND FINANCIAL REVIEW

Pro Forma Operating Results

The consolidated results for the three months and year ended 2019 and 2018 are presented below on a pro-forma basis as if the transaction to combine the F&S business of Ardagh and Exal to form the Trivium Group was completed on January 1, 2018.

	Unaudited - Pro Forma - Reported (in $ millions, except percentages)			
Reported Currency	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Revenue				
Europe	424	449	1,875	1,976
Americas	165	168	709	734
Group	**589**	**617**	**2,584**	**2,710**
Adjusted EBITDA (1)				
Europe	56	70	274	295
Americas	32	34	148	148
Group	**88**	**104**	**422**	**443**
Adjusted EBITDA margin (1)				
Europe	13.2%	15.6%	14.6%	14.9%
Americas	19.4%	20.2%	20.9%	20.2%
Group	**14.9%**	**16.9%**	**16.3%**	**16.3%**

	Unaudited - Pro Forma - Constant Currency (in $ millions, except percentages)			
Constant Currency	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Revenue				
Europe	424	434	1,875	1,874
Americas	165	168	709	734
Group	**589**	**602**	**2,584**	**2,608**
Adjusted EBITDA (1)				
Europe	56	68	274	280
Americas	32	34	148	148
Group	**88**	**102**	**422**	**428**
Adjusted EBITDA margin (1)				
Europe	13.2%	15.7%	14.6%	14.9%
Americas	19.4%	20.2%	20.9%	20.2%
Group	**14.9%**	**16.9%**	**16.3%**	**16.4%**

All footnotes are on page 12 of this document.

Review of the pro-forma period

Three months ended December 31, 2019

Group

Pro forma revenue for the three-month period ended December 31, 2019 decreased by $28 million, or 5%, to $589 million, compared with $617 million for the three-month period ended December 31, 2018. Pro forma Adjusted EBITDA for the three-month period ended December 31, 2019 decreased by $16 million, or 15%, to $88 million, compared with $104 million in the three-month period ended December 31, 2018.

Europe

Pro forma revenue for the three-month period ended December 31, 2019 decreased by $25 million, or 6%, to $424 million, compared with $449 million in the three-month period ended December 31, 2018. The decrease in revenue principally reflected unfavorable foreign currency translation effects of $15 million and negative volume/mix effects, partly offset by higher selling prices. Pro forma Adjusted EBITDA for the three-month period ended December 31, 2019 decreased by $14 million, or 20%, to $56 million, compared with $70 million in the three-month period ended December 31, 2018. The decrease in Adjusted EBITDA is due mainly to unfavorable input costs, negative volume/mix effects and foreign currency translation effects, partly offset by IFRS 16 adjustments in 2019.

Americas

Pro forma revenue for the three-month period ended December 31, 2019 decreased by $3 million or, 2%, to $165 million, compared with $168 million for the three-month period ended December 31, 2018. The decrease in revenue principally reflects the impact of two small business disposals in late 2018 and mid-2019 respectively, amounting to $5 million, as well as modestly lower volume/mix effects, partly offset by higher selling prices being the pass through of increased input costs. Pro forma Adjusted EBITDA for the three-month period ended December 31, 2019 decreased by $2 million, or 6%, to $32 million, compared with $34 million for the three-month period ended December 31, 2018. The decrease in Adjusted EBITDA is due to increased costs net of overhead reductions and favorable IFRS 16 impacts.

Year ended December 31, 2019

Group

Pro forma revenue for the year ended December 31, 2019 decreased by $126 million, or 5%, to $2,584 million, compared with $2,710 million for the year ended December 31, 2018. Pro forma Adjusted EBITDA for the year ended December 31, 2019 decreased by $21 million, or 5%, to $422 million, compared with $443 million in the year ended December 31, 2018.

Europe

Pro forma revenue for the year ended December 31, 2019 decreased by $101 million, or 5%, to $1,875 million, compared with $1,976 million in the year ended December 31, 2018. The decrease in revenue is due to unfavorable foreign currency translation effects and unfavorable volume/mix effects, partly offset by higher selling prices. Pro forma Adjusted EBITDA for the year ended December 31, 2019 decreased by $21 million, or 7%, to $274 million, compared with $295 million in the year ended December 31, 2018. The decrease in Adjusted EBITDA is due mainly to increased input costs, the negative impact of foreign currency translation and unfavorable volume/mix, partly offset by the pass through of higher input costs and favorable IFRS 16 adjustments in 2019.

Americas

Pro forma revenue for the year ended December 31, 2019 decreased by $25 million or, 3%, to $709 million, compared with $734 million for the year ended December 31, 2018. The decrease in revenue principally reflects unfavorable volume/mix effects, partly offset by higher selling prices. Pro forma Adjusted EBITDA for the year ended December 31, 2019 was in line with the year ended December 31, 2018, as higher selling prices and positive IFRS 16 adjustments in 2019 were offset by increased input costs and unfavorable volume/mix effects.

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Liquidity and Capital Resources at December 31, 2019

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 December 31, 2019.

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	–		Amortizing	–	97	–
Other borrowings/credit lines	USD/EUR	–	Rolling	Amortizing	–	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 Group's activities expose it to a variety of financial risks; capital risks; interest rate risks; currency exchange risks; commodity price risk; credit risk and liquidity risk. Please see note 17 to the consolidated financial statements for further detail.

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Footnotes to the Selected Financial Information

(1) Adjusted EBITDA consists of 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 Consolidated Income Statement presented in subsequent pages in this report.

(3) Excludes exceptional finance income and expense.

(4) Interest expense is as defined on page F-26.

(5) Capital expenditure is the sum of purchases of property, plant and equipment and software and other intangibles, net of proceeds from disposal of property, plant and equipment, as per the Consolidated Statement of Cash Flows on page F-10.

(6) Cash and cash equivalents include restricted cash as per Note 15 on page F-33.

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

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

(9) Net debt to Adjusted EBITDA ratio at December 31, 2019 of 6.7x, is based on net debt at December 31, 2019 of $2,829 million and pro forma EBITDA for the year ended December 31, 2019 of $422 million (see operating and financial review section). See Note 18 to the consolidated financial statements for details of financing activity during the period ended December 31, 2019.

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Supervisory Board, Management Board and Senior Management

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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 4, 2020, the approval date of this Report to Bondholders.

Supervisory Board

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

Name	Age	Position
Paul Coulson	67	Chairman and Supervisory Director
Rick Frier	58	Vice-Chairman and Supervisory Director
Russell Hammond	48	Supervisory Director
Ashfaq Qadri	38	Supervisory Director
Shaun Murphy	53	Supervisory Director
David Matthews	56	Supervisory Director
Claude Marbach	51	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.

Name	Age	Position
Michael Mapes	42	Chief Executive Officer and Director
Stefan C. Siebert	52	Chief Financial Officer and Director

Supervisory Board Members

Paul Coulson

Paul Coulson graduated from Trinity College Dublin with a business degree in 1973. He spent five years with Price Waterhouse in London and Dublin and qualified as a Chartered Accountant in 1978. He then established his own accounting firm before setting up Yeoman International in 1980 and developing it into a significant leasing and structured finance business. In 1998 he became Chairman of the Ardagh Group and initiated the transformation of Ardagh from a small, single plant operation into a leading global packaging company. Upon the establishment of Trivium in 2019, he became Chairman of its Supervisory Board. Over the last 30 years he has been involved in the creation and development of a number of businesses apart from Yeoman and Ardagh. These include Fanad Fisheries, a leading Irish salmon farming company, and Sterile Technologies. Prior to its sale to Stericycle, Inc. in 2006, Sterile Technologies had been developed into the leading medical waste management company in the United Kingdom and Ireland.

Rick Frier

Rick Frier is Vice-Chairman of Trivium and also serves as chair of the Audit Committee. He currently sits on the board of Whitehorse Finance Inc. and previously served as Chairman of Exal Corporation and board member for Shearer's Food Inc. and 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 - Chiquita Fruit Solutions and Transfresh. 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.

Russell Hammond

Russell Hammond leads Ontario Teachers' High Conviction Equities team, which invests across the equity asset class and along the liquidity range of pre-IPO, PIPEs and high conviction public companies. He joined Ontario Teachers' in 2006 and was previously responsible for Industrials and Business Services sector coverage within Private Capital. He currently sits on the boards of The AZEK Company, Trivium, and Stone Canyon Industries Holdings. Past investments include Alliance Laundry, Infiltrator Water Technologies, Aurora Plastic and Dematic. Prior to joining Ontario Teachers', Mr. Hammond worked in the investment banking division of Credit Suisse, as well as the investment banking and private equity departments of Merrill Lynch in Toronto and London. Mr. Hammond is a CFA charter holder and graduated as a Presidential Scholar with a Bachelor of Science degree from Cornell University.

Ashfaq Qadri

Ashfaq Qadri joined Ontario Teachers' in 2016 with more than a decade of experience in private equity and investment banking. His role includes execution and portfolio management responsibilities for direct private equity investments in the industrials and energy sectors. He currently serves on the boards of various Ontario Teachers' portfolio companies, including The AZEK Company, Trivium, Hawkwood Energy and Kanata Energy Group. 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.

Shaun Murphy

Shaun Murphy is member of the supervisory board of Trivium. Mr. Murphy was appointed Chief Operating Officer and Director of the Ardagh Group in 2019. 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, a practice of approximately 3,000 people. Mr. Murphy also served as the Lead Director on KPMG's Global Board from 2015 until 2019.

David Matthews

David Matthews is member of the supervisory board of Trivium. Mr. Matthews was appointed Chief Financial Officer and director of the Ardagh Group in 2014. Prior to joining Ardagh, Mr. Matthews held various senior finance positions at DS Smith plc and Bunzl plc. Mr. Matthews qualified as a Chartered Accountant in 1989 with Price Waterhouse in London and holds an engineering degree from the University of Southampton.

Claude Marbach

Claude Marbach is member of the supervisory board of Trivium. Mr. Marbach is the Chief Executive Officer of the North American Metal Beverage Division of Ardagh Group. Mr. Marbach 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.

Management Board Members

Michael Mapes

Michael Mapes is the Chief Executive Officer of Trivium. Prior to the formation of Trivium, Mr. Mapes joined Exal as CEO in 2016. He has spent nearly 15 years leading rigids and flexibles packaging businesses globally. Prior to Exal, Mr. Mapes held senior leadership roles and led various international businesses at Greif. 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. He received his executive education at Harvard Business School (GMP) and at London Business School (SEP). Mr. Mapes is a member of Young President's Organization (YPO).

Stefan C. Siebert

Stefan C. 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. Mr. Siebert has a diploma in Business Administration from the University of Applied Sciences in Rendsburg, Germany.

Senior Management of the Group

Robert Huffman

Robert Huffman is the Chief Growth Officer of Trivium. Prior to the formation of Trivium, Mr. Huffman joined Exal in 2016 and helped architect the Exal business system approach to drive transformational change while also resetting Exal's strategy to better align with its competitive advantages. Mr. Huffman was previously Exal's Chief Commercial Officer where he led all commercial, innovation and strategy efforts. He has eight years of experience in the packaging industry, including his prior role as Vice President of Transformation and Director of PMO at Greif. Prior to Greif, Mr. Huffman spent seven years as a strategy consultant for McKinsey & Company where he architected and led company-wide strategic and operational improvement initiatives. He holds an MBA from Northwestern University in addition to a Masters in Accountancy and a Bachelor of Science in Business Administration 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. Mr. Irion holds an MBA from MIT Sloan School of Management and a master's degree in Industrial Engineering from Karlsruhe Institute of Technology.

The Supervisory Board Committees

The Supervisory Board of Trivium Packaging B.V. 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, David Matthews, Shaun Murphy and Ashfaq Qadri, 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 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 Group's financial statements and accounting and auditing practices and (iv) reviews certain related-party transactions within the Group.

Compensation Committee

The compensation committee consists of Paul Coulson, Russell Hammond, Shaun Murphy and Ashfaq Qadri, with Paul Coulson 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 other Group companies and reviews and approves their compensation and (iii) oversees and administers the management incentive plans of the Group.

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Major Shareholders

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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 18 to the 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 and an approximate 42% shareholding held by Ardagh Group S.A.

Related Party Transactions

Mutual Services Agreement

The Trivium Group has entered into a Mutual Services Agreement ("MSA"), with Ardagh Group S.A. pursuant to which Ardagh Group S.A. and Trivium and its subsidiaries provide services to each other. The services generally relate to administrative support and include 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.

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Risk Factors

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RISK FACTORS

Risks Relating to Our Business

Our customers sell to consumers of food, seafood, pet food 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.

In addition, the outbreak of the highly infectious disease known as coronavirus (COVID-19) since the end of 2019 in China and rapidly spreading globally, together with any resulting restrictions on travel, imposition of quarantines and prolonged closures of workplaces or other facilities, may have a material adverse effect on demand for our products and the global economy in general, as well as our ability to operate our business.

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 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, CCL Container, TUBEX Group 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.

Our profitability could be affected by varied seasonal demands.

Demand for some of our products is seasonal. The F&S business sales are typically greater in the second and third quarters of the year, with generally lower sales in the first and fourth quarters. Exal typically has its lowest sales in the third quarter. 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.

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, 2019, the Group's ten largest customers accounted for approximately 39% 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 60% 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. For example, in 2017, Reckitt Benckiser merged with Mead Johnson Nutrition Company. 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 weather, transportation, production delays 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 raw materials shortages or any material increases in the cost of any of the principal raw materials that we use, including the introduction of new tariffs, could also inhibit our ability to secure necessary raw materials. For example, in 2018, tariffs of 25% on steel and 10% on aluminum were introduced in the United States. These tariffs were initially imposed by the United States on all countries, but as of the date of this Report to Bondholders no longer apply to such imports from Mexico or Canada. Further tariffs, duties or other increases in the cost to transport materials to our production facilities could have a material adverse effect on our business, financial condition and results of operations or those of our customers. Furthermore, the relative price of oil and its by-products may impact our business by affecting transport, 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 F&S European operations, aluminum is generally purchased under three-year contracts. In contrast, Exal 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 F&S business has historically hedged its aluminum exposure, while Exal 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.

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

Our functional currency will be the euro and we will 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 our 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 21 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 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 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 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 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. 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.

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 changes, such as restrictions on bisphenol A ("BPA") in coatings for some of our products, as well as on the usage of chromium VI in consumer products and industrial processes, which have been proposed or adopted in the E.U. under the REACH legislation and some of its member states, have required us to develop substitute materials for our production.

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, 2019, the Group's post-retirement benefit obligation was approximately $345 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 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 8% of our total 2019 revenue has been derived from revenues generated in the United Kingdom and 2 of our 55 manufacturing facilities are located in the United Kingdom.

On March 29, 2017, the United Kingdom gave notice to the European Union under Article 50 of the Treaty of European Union of its decision to withdraw from the European Union (''Brexit''). The withdrawal of the United Kingdom from the European Union occurred on January 31, 2020.

Following Brexit on January 31, 2020, the United Kingdom left the European Union and entered into a transition period set to expire on December 31, 2020. Following the end of the transition period, there may be changes in the legal rights and obligations among commercial parties in the United Kingdom and the European Union, including (among others) financial institutions, suppliers and service providers and their respective customers. Any changes to the trading relationship between the United Kingdom and the European Union 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 Brexit and 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, 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. 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.

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, 2019, we had net borrowings and net debt of $2,977 million and $2,829 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.

TRIVIUM
PACKAGING

Non-Statutory Financial Statements

triviumpackaging.com

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

Report on the audit of the non-statutory financial statements

Opinion

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

- give a true and fair view of the group's assets, liabilities and financial position as at 31 December 2019 and of its loss and cash flows for from the date of incorporation (8 July 2019) to the period (the "period") 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 it appears in the financial statements as at 31 December 2019;
- the Trivium Packaging B.V. consolidated income statement and consolidated statement of comprehensive income, as they appear in the financial statements for the period then ended;
- the Trivium Packaging B.V. consolidated statement of cash flows, as it appears in the financial statements for the period then ended;
- the Trivium Packaging B.V. consolidated statement of changes in equity as it appears in the financial statements for the period then ended; and
- the notes to the consolidated financial statements, which include a description of the significant accounting policies.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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.

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 Financial Statements set out on page F-5, 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.
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

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 17 December 2019 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.

Other matter

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.

PricewaterhouseCoopers
Chartered Accountants
Dublin, Ireland
March 5, 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors are responsible for preparing the non-statutory financial statements in accordance with IFRS as adopted 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 at December 31, 2019 and of its result and cash flows for the period then ended. In preparing these financial statements, the Directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the 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.

These financial statements have been authorized for issue by the Directors on March 4, 2020.

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TRIVIUM PACKAGING B.V.
CONSOLIDATED INCOME STATEMENT

	Note	Period ended December 31, 2019 Before exceptional items $'m	 Exceptional Items $'m Note 4	 Total $'m
Revenue	3	351	—	351
Cost of sales		(316)	(2)	(318)
Gross profit		**35**	**(2)**	**33**
Sales, general and administration expenses		(26)	(59)	(85)
Intangible amortization	8	(5)	—	(5)
Operating loss		**4**	**(61)**	**(57)**
Net finance expense	5	(25)	(31)	(56)
Loss before tax		**(21)**	**(92)**	**(113)**
Income tax charge	6	(2)	1	(1)
Loss for the period		**(23)**	**(91)**	**(114)**

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

TRIVIUM PACKAGING B.V.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Period ended December 31, 2019 $'m
Loss for the period		**(114)**
Other comprehensive income:		
Items that may subsequently be reclassified to income statement		
Foreign currency translation adjustments:		
—Arising in the period		7
		7
Effective portion of changes in fair value of cash flow hedges:		
—New fair value adjustments into reserve		(6)
—Movement out of reserve to income statement		9
—Movement in deferred tax		—
		3
Gain recognized on cost of hedging:		
—New fair value adjustments into reserve		3
—Movement out of reserve		—
—Movement in deferred tax		(1)
		2
Items that will not be reclassified to income statement		
—Re-measurement of employee benefit obligations	19	8
—Deferred tax movement on employee benefit obligations		(2)
		6
Total other comprehensive income for the period		**18**
Total comprehensive expense for the period		**(96)**

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

TRIVIUM PACKAGING

TRIVIUM PACKAGING B.V.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At December 31, 2019 $'m
Non-current assets		
Intangible assets	8	2,555
Property, plant and equipment	9	1,481
Deferred tax assets	11	68
Other non-current assets	10	5
		4,109
Current assets		
Inventories	12	400
Trade and other receivables	13	336
Contract asset	14	31
Cash and cash equivalents	15	157
		924
TOTAL ASSETS		**5,033**
Equity		
Issued capital	16	44
Share premium		927
Other reserves		12
Retained earnings		(108)
TOTAL EQUITY		**875**
Non-current liabilities		
Borrowings	18	2,884
Employee benefit obligations	19	345
Derivative financial instruments	18	8
Deferred tax liabilities	11	183
Provisions	21	4
Deferred income		20
		3,444
Current liabilities		
Borrowings	18	93
Interest payable		8
Derivative financial instruments	18	1
Trade and other payables	22	585
Income tax payable		9
Provisions	21	18
		714
TOTAL LIABILITIES		**4,158**
TOTAL EQUITY and LIABILITIES		**5,033**

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

TRIVIUM PACKAGING

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

	Attributable to the owner of the parent						
	Share capital $'m	**Share premium $'m**	**Foreign currency translation reserve $'m**	**Cash flow hedge reserve $'m**	**Cost of hedging reserve $'m**	**Retained earnings $'m**	**Total Equity $'m**
	Note 16						
At July 8, 2019	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Share issuance	44	927	—	—	—	**—**	**971**
Loss for the period	—	—	—	—	—	(114)	**(114)**
Other comprehensive income for the period	—	—	7	3	2	6	**18**
At December 31, 2019	**44**	**927**	**7**	**3**	**2**	**(108)**	**875**

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

TRIVIUM PACKAGING B.V.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Period ended December 31, 2019 $'m
Cash flows from operating activities		
Cash generated from operations	23	27
Interest paid		(46)
Income tax paid		(5)
Net cash used in operating activities		(24)
Cash flows from investing activities		
Purchase of business, net of cash acquired	24	(2,530)
Purchase of property, plant and equipment		(12)
Purchase of intangible assets		(3)
Proceeds from disposal of property, plant and equipment		1
Net cash used in investing activities		(2,544)
Cash flows from financing activities		
Repayment of borrowings	18	(154)
Proceeds from borrowings	18	2,911
Debt issue costs paid		(34)
Lease payments		(3)
Net cash inflow from financing activities		2,720
Net increase in cash and cash equivalents		**152**
Cash and cash equivalents at July 8, 2019		—
Exchange gains on cash and cash equivalents		5
Cash and cash equivalents at December 31, 2019	15	**157**

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

TRIVIUM PACKAGING

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, WTC Schiphol, Tower G, 1118BG Schiphol, The Netherlands.

On October 31, 2019 the transaction to combine the Food & Specialty ("F&S") business of Ardagh Group S.A. ("Ardagh") with the business of Exal ("Exal") to form the Trivium Group was completed. 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.

The financial statements reflect a two-month trading period for the Trivium Group that is included within an approximate six-month period since the date of incorporation on July 8, 2019.

These consolidated financial statements reflect the consolidation of the legal entities forming the Group for the period presented. The principal operating subsidiaries forming the Group are listed in Note 25.

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

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

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with, and are in compliance with, International Financial Reporting Standards ("IFRS") and related interpretations as adopted by the 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 adopted by the IASB.

On August 2, 2019, the Group borrowed a total amount of approximately $2.9 billion, of which approximately $2.6 billion was paid to Ardagh upon closing of the transaction to form the Trivium Group and approximately $0.2 billion were used to redeem assumed debt. In addition, as non-cash consideration, Ardagh received a stake of approximately 42 per cent in the Group while Ontario Teachers' Pension Plan Board ("OTPP") received a stake of approximately 58 percent with a combined fair market value at the date of closing of approximately $1.0 billion. Trivium is jointly controlled by OTPP and Ardagh and as a consequence the Group has elected to account for the businesses contributed at fair market value in line with IFRS 3 with such fair market values being determined over the course of a one-year measurement period.

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;
- 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; and
- preliminary purchase price accounting adjustments are stated at fair value.

The preparation of consolidated financial information in conformity with IFRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires

management to exercise judgment in the process of applying Group accounting policies. These estimates, assumptions and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. However, actual outcomes may differ from these estimates. 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 4, 2020.

Recent accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after July 8, 2019 have been assessed by the Supervisory Board and no new standards or amendments to existing standards effective after July 8, 2019 are currently relevant for the Group. 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 have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency

(i) 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 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 income statement, except: (i) differences on foreign currency borrowings that provide an effective hedge against a net investment in a foreign entity ("net investment hedges"), which are taken to other comprehensive income until the disposal of the net investment, at which time they are recognized in the consolidated income statement; 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 income statement within finance income or expense.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into euro at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to euro (the functional currency of Trivium Packaging B.V.) at average exchange rates for the year. Foreign exchange differences arising on retranslation and settlement of such transactions are recognized in other comprehensive income. Gains or losses accumulated in other comprehensive income are recycled to the consolidated income statement when the foreign operation is disposed of.

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

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.

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

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

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. The following estimated useful lives are subject to finalizing the purchase price accounting:

Computer software	2 - 7 years
Customer relationships	5 - 15 years
Technology	8 - 15 years

(i) Computer software

Computer 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 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.

(iv) Research and development costs

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

Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for land which is shown at cost less impairment. Spare parts which form an integral part of plant and machinery and which have an estimated useful economic life greater than one year are 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 period. All other costs are recognized in the consolidated income statement 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) Depreciation

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

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

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

Impairment of non-financial assets

Assets that have an indefinite useful economic life are not subject to 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 will use 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 income statement over the period of the borrowings using the effective interest rate method.

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

(vi) Trade and other payables

Trade and other payables are 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 18. 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 income statement 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 income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains in equity and is recognized in the consolidated income statement when the forecast cash flow arises. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

(ii) Net investment hedges

Derivative financial instruments are classified as net investment hedges when they hedge changes in the Group's net investments in its subsidiaries due to exposure to foreign currency. Net investment hedges are accounted for in a similar manner to cash flow hedges.

(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 income statement, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. Changes in the fair value of derivatives relating to the cost of hedging are 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 income statement within "net finance expense". The gain or loss relating to the ineffective portion is also recognized in the consolidated income statement within "net finance expense". If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is 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 income statement when the forecast cash flow arises. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

Fair value measurement

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

- Disclosures for valuation methods, significant estimates and assumptions (Notes 18 and 19)
- Quantitative disclosures of fair value measurement hierarchy (Note 18)
- Financial instruments (including those carried at amortized cost) (Note 18)

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 income statement.

(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 income statement.

(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 Group's consolidated statement of comprehensive income in the period in which they arise.

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

Revenue recognition

Our products include metal containers primarily for food and aerosols markets. In addition to metal 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, we expect that, at contract inception, the period between when a promised good is transferred to the customer and when the customer pays for that good will be one year or less.

Revenue is 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 income statement, consolidated statement of cash flows and segment and revenue analysis separately identify results before specific items. Specific items are those that in management's judgment need to be disclosed by virtue of their size, nature or incidence to provide additional information. Such items include, where significant, restructuring, redundancy and other costs relating to permanent capacity realignment or footprint reorganization, directly attributable acquisition costs and acquisition integration costs, profit or loss on disposal or termination of operations, start-up costs incurred in relation to and associated with plant builds, significant new line investments, 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 income statement, and related notes as exceptional items. Management considers columnar presentation to be appropriate in the consolidated income statement as it provides useful additional information and is consistent with the way that financial performance is measured by management and presented to the Supervisory Board. Exceptional restructuring costs are classified as restructuring provisions and all other exceptional costs when outstanding at the balance sheet date are classified as exceptional items payable.

Finance income and expense

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

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognized in the consolidated income statement 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 period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods.

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 balance 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 Supervisory Board in order to allocate resources to the segment and assess its performance.

Critical accounting estimates, assumptions and judgments

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

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

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 estimates as outlined in Note 8. The Group's judgments relating to the impairment of goodwill and other long-lived assets are included in Notes 8 and 9.

(ii) Establishing lives for depreciation and amortization purposes of property, plant and equipment and intangibles

Long-lived assets, consisting primarily of property, plant and equipment, customer intangibles and technology intangibles, comprise a significant portion of the Group's total assets. The annual depreciation and amortization charges depend primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The Supervisory Board regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilization and physical condition of the assets concerned. Changes in asset lives can have a significant impact on the depreciation and amortization charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined and there are a significant number of asset lives in use. The useful lives of property, plant and equipment and intangibles are preliminary and are subject to final purchase accounting adjustments.

(iii) Lease term

Several lease agreements include renewal and termination options. The Group assesses all facts and circumstances that create an economic incentive to exercise a renewal option, or not exercise a termination option. Renewal options (or periods after termination options) are only included in the lease term if the conclusion is that the lease is reasonably certain to be renewed (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(iv) 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 estimates of whether additional taxes will be due. 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.

(v) 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 19.

(vi) Exceptional items

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

The Group believes that this presentation provides additional analysis as it highlights exceptional items. The determination of "significant" as included in our definition uses qualitative and quantitative factors which remain consistent from period to period. Management uses judgment in assessing the particular items, which by virtue of their scale and nature, are disclosed in the consolidated income statement and related notes as exceptional items. Management considers the consolidated income

statement presentation of exceptional items to be appropriate as it provides useful additional information and is consistent with the way that financial information is measured by management and presented to the 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.

(vii) Revenue recognition

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 determination of goods or contracts having no alternative use and the enforceable right to payment involves and relies upon management judgment, and can result in the Group accelerating the recognition of revenue over time as the Group satisfies the contractual performance obligations for those contracts.

(viii) 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. The current allocation is subject to finalizing the purchase price allocation. Goodwill has not been allocated at a CGU level in the current period.

(ix) Determination of the functional currency

Management use its judgment to determine for each subsidiary the functional currency that most represents the economic effects of the underlying transactions, events and conditions in the country the respective subsidiary operates in, being mainly euro or U.S. dollar.

3. 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 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

	Period ended December 31, 2019 $'m
Loss for the period	(114)
Income tax charge (Note 6)	1
Net finance expense (Note 5)	56
Amortization and depreciation (Notes 8, 9)	26
Exceptional operating items (Note 4)	61
Adjusted EBITDA	**30**

Segment assets consist 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 and cash and cash equivalents. 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 period ended December 31, 2019 are:

	Europe $'m	Americas $'m	Group $'m
Revenue	259	92	**351**
Adjusted EBITDA	26	4	**30**
Capital expenditure	10	4	**14**
Segment assets (excluding goodwill)	1,845	780	**2,625**

Until the finalization of the purchase price allocation, goodwill has not been allocated to CGU level and as such has not been included in segment assets above. Please refer to Note 24 for further details about the provisional fair value of assets acquired and liabilities assumed.

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.

One customer accounted for 10% or more of total revenue in 2019, 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 period, is as follows:

Revenue	Period ended December 31, 2019 $'m
U.S.	74
Netherlands	54
France	50
Germany	36

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

Non-current assets	At December 31, 2019 $'m
U.S.	342
Netherlands	234
Germany	189
France	184

The Company is domiciled in Netherlands. During the period ended December 31, 2019 the Group had revenues of $54 million with customers in Netherlands. Non-current assets located in Netherlands were $234 million.

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 period ended December 31, 2019:

	Europe $'m	North America $'m	Rest of the world $'m	Total $'m
Europe	238	2	19	259
Americas	–	72	20	92
Group	**238**	**74**	**39**	**351**

See Note 14 for Contract Asset details.

4. Exceptional items

	Period ended December 31, 2019 $'m
Impairment on property, plant and equipment	1
Restructuring and other costs	1
Exceptional items - cost of sales	**2**
Transaction-related costs	59
Exceptional items - SGA expenses	**59**
Interest income and expense	31
Exceptional items - finance expense	**31**
Total exceptional charge before tax	**92**

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

Exceptional items of $92 million have been recognized for the period ended December 31, 2019, primarily comprising:

- $59 million of transaction related costs associated with the combination of the F&S business from Ardagh and the Exal business including $20 million paid to each of Ardagh and OTPP in respect of a contribution to their transaction related costs.
- $31 million of exceptional net interest expense ($39 million of interest expense and $8 million of interest income) on the bond debt and related restricted cash, both of which were held pre closing of the above mentioned combination.

5. Finance income and expense

	Period ended December 31, 2019 $'m
Senior secured and senior notes	23
Other interest expense	6
Interest expense	**29**
Net foreign currency translation gains	(8)
Loss on derivative financial instruments	4
Finance expense before exceptional items	**25**
Exceptional finance expense (Note 4)	31
Net finance expense	**56**

During the period ended December 31, 2019, the Group recognized $1 million related to lease liabilities within other interest expense and interest paid in cash used in operating activities.

6. Income tax

	Period ended December 31, 2019 $'m
Current tax:	
Current tax for the period	—
Total current tax	**—**
Deferred tax:	
Deferred tax for the period	1
Total deferred tax	**1**
Income tax charge/(credit)	**1**

Reconciliation of income tax charge and the accounting loss multiplied by the Group's domestic tax rate for 2019 is as follows:

	Period ended December 31, 2019 $'m
Loss before tax	**(113)**
Loss before tax multiplied by the standard rate of Dutch corporation tax: 25%	(28)
Tax losses for which no deferred income tax asset was recognized	11
Re-measurement of deferred taxes	4
Income taxed at rates other than standard tax rates	2
Non-deductible items	12
Income tax charge	**1**

The total income tax charge outlined above includes tax credits of $1 million in respect of exceptional items, being the tax effect of the items set out in Note 4.

Non-deductible items principally relate to exceptional transaction related costs and income taxed at non-standard rates takes account of foreign tax rate differences (versus the Dutch standard 25% rate) on earnings.

7. Employee costs

	Period ended December 31, 2019 $'m
Wages and salaries	35
Social security costs	14
Defined benefit plan pension costs (Note 19)	1
Defined contribution plan pension costs (Note 19)	1
Group employee costs	**51**

Employees	At December 31, 2019
Production	7,316
Administration	360
Group	**7,676**

TRIVIUM PACKAGING

8. Intangible assets

	Goodwill $'m	Customer relationships $'m	Technology and other $'m	Software $'m	Total $'m
Cost					
At July 8, 2019	—	—	—	—	—
Acquired through business combination on October 31, 2019	2,380	69	41	38	**2,528**
Additions	—	—	1	3	**4**
Exchange	28	1	1	—	**30**
At December 31, 2019	**2,408**	**70**	**43**	**41**	**2,562**
Amortization					
At July 8, 2019	—	—	—	—	**—**
Charge for the period	—	(3)	(2)	—	**(5)**
Exchange	—	(1)	(1)	—	**(2)**
At December 31, 2019	**—**	**(4)**	**(3)**	**—**	**(7)**
Net book value					
At December 31, 2019	**2,408**	**66**	**40**	**41**	**2,555**

With the exception of additions, the above amounts are subject to the finalization of purchase price allocation.

Amortization expense of $5 million has been charged to the consolidated income statement.

Goodwill

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 the purchase price allocation.

Impairment tests for goodwill

The transaction was completed on October 31, 2019. The Group has assessed goodwill for impairment indicators. No impairment indicators have been identified in the period that would indicate a change in the fair value and a full impairment test is not required.

9. Property, plant and equipment

	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and other $'m	Total $'m
Cost				
At July 8, 2019	—	—	—	—
Acquired through business combination on October 31, 2019	366	1,089	17	**1,472**
Additions	2	20	1	**23**
Impairment (Note 4)	—	(1)	—	**(1)**
Disposals	—	(5)	—	**(5)**
Exchange	3	11	—	**14**
At December 31, 2019	**371**	**1,114**	**18**	**1,503**
Depreciation				
At July 8, 2019	—	—	—	**—**
Additions	—	—	—	**—**
Charge for the period	(4)	(16)	(1)	**(21)**
Disposal	—	4	—	**4**
Exchange	—	(5)	—	**(5)**
At December 31, 2019	**(4)**	**(17)**	**(1)**	**(22)**
Net book value				
At December 31, 2019	**367**	**1,097**	**17**	**1,481**

With the exception of additions, the above amounts are subject to the finalization of purchase price allocation.

Depreciation expense of $20 million has been charged in cost of sales and $1 million in sales, general and administration expenses.

Construction in progress at December 31, 2019 was $104 million.

Included in property, plant and equipment is an amount for land of $69 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 period.

Right-of-use assets

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

Net book value	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and others $'m	Total $'m
At December 31, 2019	80	9	7	**96**

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

Depreciation	Land and buildings $'m	Plant and machinery $'m	Office equipment, vehicles and others $'m	Total $'m
Charge for the period	2	1	1	**4**

Total additions to the right-of-use assets during the period ended December 31, 2019 were $1 million.

During the period, the Group incurred variable lease expense of $2 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:

	At December 31, 2019 $'m
Contracted for	36
Not contracted for	14
	50

10. Other non-current assets

At December 31, 2019 other non-current assets of $5 million include $3 million relating to the Group's investment in its immaterial joint venture.

11. Deferred income tax

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

	Assets $'m	Liabilities $'m	Total $'m
At July 8, 2019	**—**	**—**	**—**
Acquisition through business combination on October 31, 2019	**90**	**(201)**	**(111)**
Charged to the income statement (Note 6)	(1)	—	(1)
Charged to other comprehensive income	(2)	(1)	(3)
At December 31, 2019	**87**	**(202)**	**(115)**

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

	At December 31, 2019 $'m
Tax losses	6
Employee benefit obligations	57
Provisions	16
Other	8
	87
Available for offset	(19)
Deferred tax assets	**68**
Intangible assets	(20)
Accelerated depreciation and other fair value adjustments	(176)
Other	(6)
	(202)
Available for offset	19
Deferred tax liabilities	**(183)**

The above amounts are subject to the finalization of purchase price allocation.

The tax charge recognized in the consolidated income statement is analyzed as follows:

	Period Ended December 31, 2019
	$'m
Tax losses	(1)
Employee benefit obligations	(1)
Intangible assets	1
	(1)

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 $14 million in respect of tax losses amounting to $68 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.

12. Inventories

	At December 31, 2019		
	Cost	Fair Value	Total
	$'m	$'m	$'m
Raw materials & consumables	69	100	169
Work-in-progress	83	—	83
Finished goods	134	14	148
	286	**114**	**400**

Certain inventories held by the Group have been pledged as security under the Group's Global Asset Based Loan Facility (Note 18). The amount recognized as a write down in inventories or as a reversal of a write down in the period was not material.

At December 31, 2019, the hedging loss included in the carrying value of inventories, which will be recognized in the income statement when the related finished goods have been sold, is not material.

13. Trade and other receivables

	At December 31, 2019 $'m
Trade receivables	244
Related party receivable	8
Other receivables and prepayments	84
	336

The fair values of trade and other receivables approximate the amounts shown above. Included in the fair value of the receivables acquired through the business combination on October 31, 2019, is a reduction from the gross contractual amounts of an estimated amount of $18 million related to contractual cash flows not expected to be collected. Movements on the provision for impairment of trade receivables during the period ended December 31, 2019 are as follows:

	2019 $'m
At July 8,	**—**
Provision for receivables impairment	(1)
At December 31,	**(1)**

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, 2019, trade receivables of $44 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, 2019 $'m
Up to three months past due	40
Three to six months past due	3
Over six months past due	1
	44

14. Contract assets

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

	2019 $'m
At July 8,	—
Acquired through business combinations on October 31,	36
Transfers from contract assets recognized through business combination to receivables	(36)
Increases as a result of new contract assets recognized during the period	31
Balance as at December 31,	**31**

15. Cash and cash equivalents

	At December 31, 2019 $'m
Cash at bank and in hand	154
Restricted cash	3
	157

Within cash and cash equivalents, the Group had $3 million of restricted cash at December 31, 2019, which includes cash required by law to protect members of early retirement plans in Germany.

16. Issued capital

Share capital

Issued and fully paid shares:

	Common shares (par value €1) (million)	Total $'m
At July 8, 2019	–	–
Share issuances during the period	40	44
At December 31, 2019	**40**	**44**

2019

The Company was incorporated on July 8, 2019 and has in total 39,821,794 issued shares. During the period, the Company issued 22,942,039 shares to OTPP (representing an approximate 58% stake in the Company) 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.

All other reserves are as stated in the consolidated statement of changes in equity.

17. 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, 2019, the Group's external borrowings were 81.1% fixed with a weighted average interest rate of 5.2%. The weighted average interest rate of the Group for the period ended December 31, 2019 was 4.9%.

Holding all other variables constant, including levels of the Group's external indebtedness, at December 31, 2019 a one percentage point increase in variable interest rates would increase interest payable by approximately $6 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-one countries, across five continents and its main currency exposure in the period to December 31, 2019, from the euro functional currency, were in relation to the U.S. dollar, British pound, Polish zloty, Danish krone, 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, 2019 rate would decrease shareholders' equity by approximately $3 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 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, 2019, we have 96% and 53% of our energy risk covered for 2020 and 2021, 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 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. 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 period ended December 31, 2019, the Group's ten largest customers accounted for approximately 39% of total revenues. 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.

18. Financial assets and liabilities

The Group's net external debt was as follows:

	At December 31, 2019 $'m
Loan notes	2,812
Other borrowings	165
Net borrowings	**2,977**
Cash and cash equivalents	(157)
Derivative financial instruments used to hedge foreign currency and interest rate risk	9
Net debt	**2,829**

The Group's net borrowings of $2,977 million are classified as non-current liabilities of $2,884 million and current liabilities of $93 million in the consolidated statement of financial position at December 31, 2019.

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	–		Amortizing	–	97	–
Other borrowings/credit lines	USD/EUR	–	Rolling	Amortizing	–	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**

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

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 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 number of financial covenants including a fixed charge coverage ratio. The facility also includes cash dominion, representations, warranties, events of default and other covenants that are generally of a nature customary for such facilities.

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

	2019 $'m
At July 8, 2019	—
Net increase in cash and cash equivalents per consolidated statement of cash flows	(157)
Increase in net borrowings and derivative financial instruments	2,986
Net debt at December 31, 2019	**2,829**

The increase in net borrowings and derivative financial instruments primarily includes proceeds from borrowings of $2,911 million, lease obligations of $97 million, a net foreign exchange loss on borrowings of $10 million, a fair value loss on the derivative financial instruments used to hedge foreign currency of $9 million and an increase in other borrowings of $5 million partly offset by a deferred finance cost asset recognized on the issued bonds and Global Asset Based Facility of $46 million and an increase to cash and cash equivalents of $157 million.

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

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

The maturity profile of the contractual undiscounted cash flows related to the Group's lease liabilities as of December 31, 2019, is as follows:

	$'m
Not later than one year	22
Later than one year and not later than five years	57
Later than five years	47
	126

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

At December 31, 2019	Borrowings $'m	Derivative financial instruments $'m	Trade and other payables $'m
Within one year or on demand	255	1	561
Between one and two years	350	—	—
Between two and five years	341	—	—
Greater than five years	3,216	8	—

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:

	Carrying value			Fair value
At December 31, 2019	Amount drawn $'m	Deferred debt issue costs $'m	Total $'m	Total $'m
Loan notes	2,851	(39)	2,812	3,031
Global Asset Based Loan Facility and other borrowings	75	(7)	68	75
	2,926	**(46)**	**2,880**	**3,106**

Financing activity

On August 2, 2019, the Group issued $1,050 million 5.500% Senior Secured Notes due 2026, $700 million 8.500% Senior Notes due 2027, €625 million 3.750% Senior Secured Notes due 2026 and €355 million Floating Senior Secured Notes due 2026. The net proceeds of the issuance of these notes were used as part of the consideration paid to Ardagh in relation to the acquisition of the Food & Specialty business which the Group acquired on October 31, 2019, to repay $154 million of assumed indebtedness through the acquisition of the Exal business and to pay fees and expenses related to the combination of such businesses.

At December 31, 2019, the Group had $171 million available under the $250 million Global Asset Based Loan Facility, $70 million of which is drawn.

Effective interest rates

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

	2019	
	USD	EUR
3.750% Senior Secured Notes due 2026		4.10%
5.500% Senior Secured Notes due 2026	5.90%	
Floating Senior Secured (three-month EURIBOR + 3.750%) due 2026		4.12%
8.500% Senior Notes due 2027	8.99%	
Global Asset Based Loan Facility	3.49%	
	Various Currencies	
Lease Obligation	3.92%	

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

	At December 31, 2019 $'m
Euro	1,134
U.S. dollar	1,800
GBP	23
Other	20
	2,977

The Group has the following undrawn borrowing facilities:

	At December 31, 2019 $'m
Expiring within one year	—
Expiring beyond one year	101
	101

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) Cross currency interest rate swaps ("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	Contractual or notional amounts
	Fair values $'m	Fair values $'m	$'m
Fair Value Derivatives			
Metal forward swaps	—	—	10
Cross currency interest rate swaps	—	8	750
Forward foreign exchange swaps	—	1	99
At December 31, 2019	**—**	**9**	**859**

Derivative instruments with a fair value of $8 million are classified as non-current liabilities and $1 million as current liabilities in the consolidated statement of financial position at December 31, 2019.

With the exception of the certain 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 and quarterly 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, 2019 of $8 million.

On August 2, and December 5, 2019, the Group entered into a series of CCIRS $750 million USD to EUR due 2025. This CCIRS was a designated hedge instrument with respect to the USD denominated bonds, hedging the risk of variability of its USD cashflow obligations.

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.

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. 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.

19. 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 schemes are in Germany.

The contribution rates to the funded plans are agreed with the Trustee boards, plan actuaries and the local pension regulators periodically.

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

Total employee obligations recognized in the consolidated statement of financial position of $345 million includes other employee benefit obligations of $39 million.

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

	U.S.	**Germany**	**Netherlands**	**U.K.**	**Other**	**Total**
	2019	**2019**	**2019**	**2019**	**2019**	**2019**
	$'m	**$'m**	**$'m**	**$'m**	**$'m**	**$'m**
Obligations	(20)	(242)	(19)	(157)	**(2)**	**(440)**
Assets	21	—	—	112	**1**	**134**
Net obligations	**1**	**(242)**	**(19)**	**(45)**	**(1)**	**(306)**

Defined benefit pension schemes

The amounts recognized in the consolidated income statement are:

	Period ended December 31, 2019
	$'m
Current service cost and administration costs:	
Cost of sales - current service cost (Note 7)	(1)
SGA - current service cost (Note 7)	—
Total current service cost	**(1)**
Finance expense (Note 5)	—
Total current service cost and administration costs	**(1)**

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

	Period ended December 31, 2019 $'m
Re-measurement of defined benefit obligation:	
Actuarial gain arising from changes in financial assumptions	8
Actuarial gain arising from changes in experience	1
	9
Re-measurement of plan assets:	
Actual loss less expected return on plan assets	(1)
Actuarial gain for the period on defined benefit pension schemes	**8**
Actuarial gain/(loss) on other long-term and end of service employee benefits	—
	8

The actual return on plan assets resulted in a loss of $0.5 million.

Movement in the defined benefit obligations and assets:

	Obligations 2019 $'m	Assets 2019 $'m
At July 8,	—	—
Acquired through business combination on October 31,	(445)	132
Interest income	—	1
Current service cost	(1)	—
Interest cost	(1)	—
Re-measurements	9	(1)
Employer contributions	—	1
Benefits paid	2	(1)
Exchange	(4)	2
At December 31,	**(440)**	**134**

The defined benefit obligations above include $260 million of unfunded obligations.

Interest income and interest cost above does not include interest cost relating to other employee benefit obligations. Current service costs above does not include current service costs relating to other employee benefit obligations. Both amounts were immaterial for the period.

Plan assets comprise:

	At December 31,	
	2019 $'m	2019 %
Equities	43	32
Target return funds	49	37
Bonds	18	13
Cash/other	24	18
	134	**100**

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

The U.S. pension assets are held in trust as a result of the transaction and are expected to transfer to Trivium in 2020.

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

The 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 financial statements take account of the different economic circumstances in the countries of operations and the different characteristics of the respective plans, including the duration of the obligations.

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

	U.S.	Germany	U.K.	Netherlands
	2019	2019	2019	2019
	%	%	%	%
Rates of inflation	N/A	1.90	3.20	2.00
Rates of increase in salaries	N/A	2.90	3.20	N/A
Discount rates	3.23	0.07 - 1.02	1.90	1.05

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	U.K.	Netherlands
	2019 Years	2019 Years	2019 Years	2019 Years
Life expectancy, current pensioners	21	22	21	23
Life expectancy, future pensioners	23	24	22	26

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 $21 million. If the discount rate were to increase by 50 basis points, the carrying amount of the pension obligations would decrease by an estimated $18 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 $12 million. If the inflation rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated $9 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 $12 million. If the salary increase rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated $9 million.

The impact of increasing the life expectancy by one year would result in an increase in the Group's liability of $6 million at December 31, 2019, holding all other assumptions constant.

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

Nature of the schemes	Europe Netherlands Funded	Europe Germany Unfunded	Europe U.K. Funded	North America Funded
2019				
Active members	432	562	-	60
Deferred members	-	478	408	138
Pensioners including dependents	-	1,072	378	166
Weighted average duration (years)	-	9	20	14

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

	2020 $'m	2021 $'m	2022 $'m	2023 $'m	2024 $'m	Subsequent five years $'m
Benefits	17	14	15	15	15	83

The Group also has defined contribution plans; the contribution expense associated with these plans for 2019 was $1 million. The Group's best estimate of the contributions expected to be paid to these plans in 2020 is $13 million.

Other employee benefits

	At December 31, 2019 $'m
End of service employee benefits	26
Long-term employee benefits	13
	39

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

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

20. Related party receivables and payables

At December 31, 2019 the Group has a related party receivable and related party payable as shown in notes 13 and 22 respectively. See Note 4 exceptional items for exceptional related party transactions during the period. $6 million related party transactions paid to Ardagh during the period primarily relate to services provided under the mutual services agreement ("MSA"). The receivables and payables primarily relate to amounts owed from Element Holding II LLP, the former owner of Exal, and amounts owing to and owed from Ardagh Group S.A..

21. Provisions

	At December 31, 2019 $'m
Current	18
Non-current	4
	22

	Restructuring $'m	Other provisions $'m	Total provisions $'m
At July 8, 2019	—	—	—
Acquired through business combination on October 31, 2019	**9**	**11**	**20**
Provided	1	3	4
Released	—	(1)	(1)
Paid	(1)	—	(1)
At December 31, 2019	**9**	**13**	**22**

The above amounts are subject to the finalization of purchase price allocation.

The restructuring provision relates to redundancy and other restructuring costs. Other provisions relate to probable environmental claims and customer quality claims.

The provisions classified as current are expected to be paid in the next twelve months. The majority of the restructuring provision is expected to be paid in 2020. The remaining balance represents longer term provisions for which the timing of the related payments is subject to uncertainty.

22. Trade and other payables

	At December 31, 2019 $'m
Trade payables	398
Other payables and accruals	121
Other tax and social security payable	24
Payables and accruals for exceptional items	17
Amounts owed to joint ventures	1
Related party payable	24
	585

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

Other payables and accruals mainly comprise accruals for operating expenses and deferred income.

23. Cash generated from operating activities

	Period ended December 31, 2019 $'m
Loss for the period	**(114)**
Income tax charge (Note 6)	1
Net finance expense (Note 5)	56
Amortization and depreciation (Notes 8, 9)	26
Exceptional operating items (Note 4)	61
Movement in working capital	56
Transaction-related and other exceptional costs paid	(58)
Exceptional restructuring paid	(1)
Cash generated from operating activities	**27**

24. Business combinations and disposals

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. See Note 2 and Note 16 for additional details regarding the transaction.

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 *	247
Derivative financial instruments	(3)
Income tax payable	(15)
Net deferred tax liability	(111)
Borrowings **	(270)
Employee benefit obligations	(352)
Total identifiable net assets	**1,149**
Goodwill	2,380
Total consideration	**3,529**

*Net working capital includes trade receivables of $312 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 (subject to 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.

For the period ended December 31, 2019 the combined businesses contributed revenue of $351 million to the Group. If the acquisition of the businesses had occurred on January 1, 2019 Group revenue and Adjusted EBITDA would have been $2,584 million and $422 million respectively.

25. Related party information

(i) Joint venture

At December 31, 2019, the Group owns 49% of shares in Copal SAS. Transactions and balances outstanding with Copal SAS are not material for the period ended and as at December 31, 2019.

(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 executive leadership team during the reporting period. The amount outstanding at period end was $2 million.

	Period Ended December 31, 2019
	$'m
Salaries and other short-term employee benefits	1
Post-employment benefits	—
	1
Other compensation	2
	3

(iii) Pension schemes

The Group's pension schemes are related parties. For details of all transactions during the period, please see Note 19.

(iv) Related party balances

Please refer to Note 20 for details of related party receivables and payables as at and for the period ended December 31, 2019.

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(v) Subsidiaries

The following table provides information relating to our principal operating subsidiaries, all of which are wholly owned, at December 31, 2019.

Company	Country of incorporation	Activity
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
Ardagh Metal Packaging Latvia SIA	Latvia	Metal Packaging
Ardagh Metal 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	Metal Packaging
Trivium Packaging Treasury B.V.	Netherlands	Metal Packaging
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
Ardagh Metal 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
Exal Argentina S.A.	Argentina	Metal Packaging
Exal Brasil – Fabricacao de Embalagens de Aluminio Ltda	Brazil	Metal Packaging

26. 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.

27. Events after the reporting period

There are no events after the reporting period that require disclosure.

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