TRIVIUM
PACKAGING

Interim Report to Bondholders

For the three months ended
March 31, 2021

INDEX TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Trivium Packaging B.V.

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

TRIVIUM PACKAGING

TRIVIUM PACKAGING B.V.
CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited			Re-presented [(i)] Unaudited		
		Three months ended March 31, 2021			Three months ended March 31, 2020		
	Note	Before exceptional items $'m	Exceptional items $'m	Total $'m	Before exceptional items $'m	Exceptional items $'m	Total $'m
			Note 5			Note 5	
Revenue	4	706	—	706	619	—	619
Cost of sales		(569)	(32)	(601)	(515)	(10)	(525)
Gross profit		**137**	**(32)**	**105**	**104**	**(10)**	**94**
Sales, general and administration expenses		(58)	(9)	(67)	(45)	(4)	(49)
Intangible amortization	7	(42)	—	(42)	(37)	—	(37)
Operating profit/(loss)		**37**	**(41)**	**(4)**	**22**	**(14)**	**8**
Net finance (expense)/income	6	(43)	—	(43)	(46)	2	(44)
Loss before tax		**(6)**	**(41)**	**(47)**	**(24)**	**(12)**	**(36)**
Income tax (charge)/credit		(5)	10	5	8	3	11
Loss for the period		**(11)**	**(31)**	**(42)**	**(16)**	**(9)**	**(25)**

(i) The loss for the period ended March 31, 2020 has been re-presented and includes additional charges of $19 million related to depreciation and amortization, net of tax, with respect to the revised fair values of the net assets acquired as part of the Food & Specialty business of Ardagh and Exal business acquisition. Please refer to Note 3 for further details.

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

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

	Note	Unaudited Three months ended March 31, 2021 $'m	Unaudited Three months ended March 31, 2020 $'m
Loss for the period [(i)]		**(42)**	**(25)**
Other comprehensive income:			
Items that may subsequently be reclassified to income statement			
Foreign currency translation adjustments:			
—Arising in the period		(31)	(28)
		(31)	**(28)**
Effective portion of changes in fair value of cash flow hedges:			
—New fair value adjustments into reserve		34	58
—Movement out of reserve to income statement		(34)	(19)
—Movement in deferred tax		(2)	2
		(2)	**41**
Gain recognized on cost of hedging:			
—New fair value adjustments into reserve		—	(3)
—Movement in deferred tax		—	1
		—	**(2)**
Items that will not be reclassified to income statement			
—Re-measurement of employee benefit obligations	10	21	19
—Deferred tax movement on employee benefit obligations		(5)	(5)
		16	**14**
Total other comprehensive (loss)/income for the period		**(17)**	**25**
Total comprehensive loss for the period		**(59)**	**—**

(i) The loss for the period ended March 31, 2020 has been re-presented and includes additional charges of $19 million related to depreciation and amortization, net of tax, with respect to the revised fair values of the net assets acquired as part of the Food & Specialty business of Ardagh and Exal business acquisition. Please refer to Note 3 for further details.

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TRIVIUM PACKAGING

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

	Note	Unaudited At March 31, 2021 $'m	Audited At December 31, 2020 $'m
Non-current assets			
Intangible assets	7	3,361	3,514
Property, plant and equipment	7	1,023	1,053
Deferred tax assets		65	71
Other non-current assets		6	6
		4,455	**4,644**
Current assets			
Inventories		391	384
Trade and other receivables		361	316
Derivative financial instruments		12	4
Contract assets		36	30
Cash and cash equivalents		118	157
		918	**891**
Asset held for sale	7	3	—
TOTAL ASSETS		**5,376**	**5,535**
Equity			
Issued capital	8	44	44
Share premium		930	930
Other reserves		46	80
Retained earnings		(241)	(215)
TOTAL EQUITY		**779**	**839**
Non-current liabilities			
Borrowings	9	2,943	2,998
Employee benefit obligations	10	328	358
Derivative financial instruments		27	53
Deferred tax liabilities		415	434
Provisions		24	27
Deferred income		19	21
		3,756	**3,891**
Current liabilities			
Borrowings	9	90	32
Interest payable		18	53
Derivative financial instruments		6	5
Trade and other payables		636	657
Income tax payable		27	23
Provisions		63	35
Deferred income		1	—
		841	**805**
TOTAL LIABILITIES		**4,597**	**4,696**
TOTAL EQUITY and LIABILITIES		**5,376**	**5,535**

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

TRIVIUM PACKAGING

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

	Unaudited, re-presented (i)						
	Attributable to the owner of the parent						
	Share capital $'m	Share premium $'m	Foreign currency translation reserve $'m	Cash flow hedge reserve $'m	Cost of hedging reserve $'m	Retained earnings $'m	Total equity $'m
	Note 8						
At January 1, 2020	**44**	**930**	**7**	**3**	**2**	**(121)**	**865**
Loss for the period	—	—	—	—	—	(25)	**(25)**
Other comprehensive (loss)/income for the period	—	—	(28)	41	(2)	14	**25**
At March 31, 2020	**44**	**930**	**(21)**	**44**	**—**	**(132)**	**865**
At January 1, 2021	**44**	**930**	**53**	**22**	**5**	**(215)**	**839**
Loss for the period	—	—	—	—	—	(42)	**(42)**
Other comprehensive (loss)/income for the period	—	—	(31)	(2)	—	16	**(17)**
Hedging gains transferred to cost of inventory	—	—	—	(1)	—	—	**(1)**
At March 31, 2021	**44**	**930**	**22**	**19**	**5**	**(241)**	**779**

(i) Retained earnings at January 1, 2020 have been re-presented and includes a decrease of $13 million related to depreciation and amortization, net of tax, with respect to the revised fair values and useful economic lives for property, plant and equipment and intangible assets. Share premium has increased by $3 million upon the final agreement of customary completion adjustments in May 2020.

The loss for the period ended March 31, 2020 has been re-presented and includes additional charges of $19 million related to depreciation and amortization, net of tax, with respect to the revised fair values of the net assets acquired as part of the Food & Specialty business of Ardagh and Exal business acquisition. Please refer to Note 3 for further details.

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

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

	Note	Unaudited Three months ended March 31, 2021 $'m	Unaudited Three months ended March 31, 2020 $'m
Cash flows from operating activities			
Cash generated from operations	11	23	35
Income tax paid		(3)	(3)
Interest paid		(74)	(1)
Net cash (used in)/from operating activities		(54)	31
Cash flows from investing activities			
Purchase of property, plant and equipment		(29)	(31)
Purchase of intangible assets		(6)	(4)
Proceeds from disposal of property, plant and equipment		2	5
Net cash used in investing activities		(33)	(30)
Cash flows from financing activities			
Proceeds from borrowings	9	70	74
Repayment of borrowings		(12)	(4)
Lease payments		(6)	(4)
Debt issue costs paid		—	(2)
Net cash from financing activities		52	64
Net (decrease)/increase in cash and cash equivalents		**(35)**	**65**
Cash and cash equivalents at the beginning of the period		157	157
Foreign exchange losses on cash and cash equivalents		(4)	(3)
Cash and cash equivalents at the end of the period		**118**	**219**

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

TRIVIUM PACKAGING B.V.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

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

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

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

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

2. Statement of directors' responsibilities

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

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

The Directors confirm that they have complied with the above requirements in preparing the unaudited consolidated interim financial statements. Changes to accounting policies applied in the three months ended March 31, 2021 are outlined in Note 3.

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

The unaudited consolidated interim financial statements were approved for issue by the Supervisory Board of Trivium Packaging B.V. (the "Supervisory Board") on May 29, 2021.

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

Basis of preparation

The unaudited consolidated interim financial statements of the Group for the three months ended March 31, 2021 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The unaudited consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Report to Bondholders for the period ended December 31, 2020 which was prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and related interpretations.

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

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

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

Going concern

At the date that the unaudited consolidated interim financial statements were approved for issue by the Supervisory Board, the Supervisory Board has formed the judgment that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, these unaudited consolidated interim financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Supervisory Board has taken into account all available information about a period, extending to at least, May 30, 2022. In particular, the Supervisory Board has considered whether the impact of the cyber security incident as described in Note 16, has led to a material uncertainty with respect to the going concern basis of preparation and concluded that it did not. In arriving at its conclusion, the Supervisory Board has taken account of the Group's current and anticipated trading performance, together with current and anticipated levels of cash and net debt and the availability of committed borrowing facilities and as a result it is the Supervisory Board's judgment that it is appropriate to prepare the unaudited consolidated interim financial statements using the going concern basis.

Re-presentation of prior year comparatives

In accordance with IFRS 3 "Business Combinations", a number of additional fair value adjustments, predominantly related to property, plant and equipment, intangible assets, deferred tax and net working capital, were made in relation to the net assets acquired as part of the Food & Specialty business of Ardagh and Exal business acquisition. The measurement period, in respect of the business acquisition of the Food & Specialty business of Ardagh and Exal, during which the Group adjusted the amounts recognized for the assets and liabilities acquired, was completed during Q4 2020.

Accordingly, the consolidated statement of changes in equity for the three months ended March 31, 2020 and the consolidated income statement for the three months ended March 31, 2020 have been re-presented to reflect the revised fair values. The impact on previously reported depreciation and amortization, net of tax, for the three months ended March 31, 2020 are additional charges of $19 million.

Recently adopted accounting standards and changes in accounting policies

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after January 1, 2021 have been assessed by the Supervisory Board and as a result, no new standards or amendments to existing standards effective January 1, 2021 have had a material impact to the Group.

Recent accounting pronouncements

The Supervisory Board's assessment of the impact of new standards, which are not yet effective and which have not been early adopted by the Group, on the unaudited consolidated interim financial statements and disclosures is on-going.

4. Segment and revenue analysis

The Group has two operating and reportable segments, Europe and Americas, which as of January 1, 2021, excludes certain corporate headquarter costs that have not been allocated to the segments.

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, accrual for the long-term performance-based plan (expected to be payable in 2025) and exceptional operating items. Other items are not allocated to segments, as these are reviewed on a group-wide basis. Segmental revenues are derived from sales to external customers. Inter-segment revenue is not material.

Reconciliation of loss for the period to Adjusted EBITDA

	Three months ended March 31, 2021 $'m	Three months ended March 31, 2020 (i) $'m
Loss for the period	(42)	(25)
Income tax credit	(5)	(11)
Net finance expense (Note 6)	43	44
Depreciation and amortization (Note 7)	71	63
Exceptional operating items (Note 5)	41	14
Long-term performance-based plan (Note 10)	7	—
Adjusted EBITDA	**115**	**85**

(i) Loss for the period, income tax credit and depreciation and amortization for the three months ended March 31, 2020 have been re-presented to reflect revised fair values of the net assets acquired as part of the Food and Specialty business of Ardagh and Exal business acquisition. Please refer to Note 3 for further details.

Segment results for the three months ended March 31, 2021 are:

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

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

	Europe $'m	Americas $'m	Corporate costs $'m	Group $'m
Revenue	450	169	—	**619**
Adjusted EBITDA *	55	32	(2)	**85**

*Adjusted EBITDA has been re-presented for the three months ended March 31, 2020, to conform with the 2021 Group presentation of its two operating and reportable segments, which as of January 1, 2021, excludes certain corporate headquarter costs that have not been allocated to the segments. In the three-month period ended March 31, 2020, the Group incurred corporate costs of $2 million, mainly in the Europe segment.

One customer in the Americas segment accounted for greater than 10% of total revenue in the three months ended March 31, 2021 (Three months ended March 31, 2020: one customer in the Americas segment).

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

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

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

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

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

5. Exceptional items

	Three months ended March 31, 2021 $'m	Three months ended March 31, 2020 $'m
Restructuring and other costs	32	10
Exceptional items - cost of sales	**32**	**10**
Transaction, integration and transformation-related costs	9	4
Exceptional items - SGA expenses	**9**	**4**
Exceptional finance income	—	(2)
Exceptional items - finance income	**—**	**(2)**
Exceptional income tax credit	(10)	(3)
Total exceptional items, net of tax	**31**	**9**

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

2021

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

- $32 million of restructuring and other costs of which $31 million relates to the announced closures of our plants in Veenendaal, the Netherlands, and in Schweighouse, France, the right-sizing of our plant in Beaurepaire, France, and $1 million of customer start-up costs.
- $3 million of SG&A restructuring costs and $6 million of transformation-related costs due to the ongoing execution of the transformation plan of the Group.

2020

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

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

6. Net finance expense/(income)

	Three months ended March 31, 2021 $'m	Three months ended March 31, 2020 $'m
Senior Secured and Senior Notes	39	37
Other interest expense	3	4
Interest expense	**42**	**41**
Net foreign currency translation (gains)/losses	(1)	6
Net pension interest costs	1	1
Losses/(gains) on derivative financial instruments	1	(2)
Finance expense before exceptional items	**43**	**46**
Exceptional finance income (Note 5)	—	(2)
Net finance expense	**43**	**44**

Included within Senior Secured and Senior Notes is net interest income on cross currency interest rate swaps ("CCIRS") of $3 million (March 31, 2020: $5 million).

7. Intangible assets and property, plant and equipment

	Goodwill $'m	Customer relationships $'m	Technology and other $'m	Software $'m	Total intangible assets $'m	Property, plant and equipment $'m
Net book value at January 1, 2021	**1,891**	**1,370**	**205**	**48**	**3,514**	**1,053**
Additions	—	—	3	3	6	29
Disposals	—	—	—	—	—	(2)
Charge for the period	—	(35)	(5)	(2)	(42)	(29)
Transfer to asset held for sale	—	—	—	—	—	(3)
Foreign exchange	(65)	(43)	(7)	(2)	(117)	(25)
Net book value at March 31, 2021	**1,826**	**1,292**	**196**	**47**	**3,361**	**1,023**

At March 31, 2021, the carrying amount of the right-of-use assets included within property, plant and equipment was $91 million (December 31, 2020: $94 million).

The Group recognized a depreciation charge of $29 million for the three months ended March 31, 2021 (March 31, 2020: $26 million).

Impairment test for goodwill

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

Management has considered whether any impairment existed at the reporting date, or subsequent to the date that the unaudited consolidated interim financial statements were approved for issue by the Supervisory Board, including assessing whether any cash-generating units ("CGU") had experienced or are expected to experience prolonged cessation of operations or had suffered or are expected to suffer either a prolonged decline in demand or prices and profitability as a result of COVID-19. In addition, management assessed the likely impact of potential reduced economic activity in the markets in which the Group operates. Since the Company is operating in a defensive industry and the Group's anticipated future trading performance is expected to continue to be comparable to that previously anticipated by management, the results of the assessment were such that no impairment indicators have been identified and that management have concluded that the goodwill is fully recoverable as at March 31, 2021.

8. Issued capital

Share capital

Issued and fully paid shares:

	Common shares (par value €1) (million)	Total $'m
At December 31, 2020	**40**	**44**
Share issuance	—	—
At March 31, 2021	**40**	**44**

There were no share transactions in the three months ended March 31, 2021.

9. Financial assets and liabilities

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

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount/ liquidity
		Local currency m			Local currency m	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	733	—
5.500% Senior Secured Notes	USD	1,050	15-Aug-26	Bullet	1,050	1,050	—
Floating Senior Secured (three-month EURIBOR + 3.750%)	EUR	355	15-Aug-26	Bullet	355	416	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	204	31-Oct-24	Revolving	70	70	134
Lease Obligations	Various	—	—	Amortizing	—	92	—
Other Borrowings - Ardagh Credit Facility	USD	36	30-Apr-21	Revolving	—	—	36
Other Borrowings/credit lines	Various	—	—	Amortizing	—	—	—
Total borrowings / undrawn facilities						**3,061**	**170**
Deferred debt issue costs						(28)	—
Net borrowings / undrawn facilities						**3,033**	**170**
Cash and cash equivalents						(118)	118
Derivative financial instruments used to hedge foreign currency and interest rate risk						27	—
Net debt / available liquidity						**2,942**	**288**

Net debt includes the fair value of associated CCIRS derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt.
Interest payable of $18 million (December 31, 2020: $53 million) includes interest on Senior Secured and Senior Notes of $20 million (December 31, 2020: $57 million) and net interest receivable on CCIRS of $2 million (December 31, 2020: $4 million).

The fair value of the Group's total borrowings excluding lease obligations at March 31, 2021 is $3,092 million (December 31, 2020: $3,110 million).

At March 31, 2021, the Group had $204 million available under the $250 million Global Asset Based Loan Facility, $70 million of which is drawn (December 31, 2020: $nil).

In late May 2020, the Group entered into a revolving credit facility (the "Ardagh Credit Facility") with Ardagh. The amount under the Ardagh Credit Facility is $36 million. The Ardagh Credit Facility matures on April 30, 2021 and the Group took the decision not to extend the Ardagh Credit Facility given the available liquidity at March 31, 2021. At March 31, 2021, the amount drawn under the Ardagh Credit Facility was $nil (December 31, 2020: $nil).

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

At December 31, 2020, the Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount/ liquidity
		Local currency m			Local currency m	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	767	—
5.500% Senior Secured Notes	USD	1,050	15-Aug-26	Bullet	1,050	1,050	—
Floating Senior Secured (three-month EURIBOR + 3.750%)	EUR	355	15-Aug-26	Bullet	355	436	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	198	31-Oct-24	Revolving	—	—	198
Lease Obligations	Various	—	—	Amortizing	—	96	—
Other Borrowings - Ardagh Credit Facility	USD	36	30-Apr-21	Revolving	—	—	36
Other borrowings/credit lines	Various	—	—	Amortizing	—	12	—
Total borrowings / undrawn facilities						**3,061**	**234**
Deferred debt issue costs						(31)	—
Net borrowings / undrawn facilities						**3,030**	**234**
Cash and cash equivalents						(157)	157
Derivative financial instruments used to hedge foreign currency and interest rate risk						53	—
Net debt / available liquidity						**2,926**	**391**

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

	At March 31, 2021 $'m	At December 31, 2020 $'m
Within one year or on demand	90	32
Between one and three years	25	26
Between three and five years	19	20
Greater than five years	2,927	2,983
Total borrowings	**3,061**	**3,061**
Deferred debt issue costs	(28)	(31)
Net borrowings	**3,033**	**3,030**

The Group's Senior Secured and Senior Notes of $2,899 million (December 31, 2020: $2,953 million) are included within the greater than five years maturity profile above.

Cross currency interest rate swaps

The Group hedges certain portions of its external borrowings and interest payable thereon using cross currency interest rate swaps ("CCIRS"), with a net liability at March 31, 2021 of $27 million (December 31, 2020: $53 million net liability).

Fair value methodology

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

Fair values are calculated as follows:

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

Net investment hedge in foreign operations

In the three months ended March 31, 2021, the Group recognised a loss of $22 million on the $482 million of its 5.5% senior secured notes due 2026 that it designated during 2020 (Three months ended March 31, 2020: loss of $6 million on the $230 million of its 5.5% senior secured notes that was designated).

10. Employee benefit obligations

Employee benefit obligations at March 31, 2021 have been reviewed in respect of the latest discount rates and asset valuations. A re-measurement gain of $21 million has been recognised in the unaudited consolidated interim statement of comprehensive income for the three months ended March 31, 2021 (March 31, 2020: gain of $19 million).

The re-measurement gain of $21 million recognised for the three months ended March 31, 2021 consisted of a decrease in the obligations of $27 million, partly offset by a decrease in asset valuations of $6 million. (March 31, 2020: decrease in obligation of $28 million; decrease in asset valuations of $9 million).

Employee benefit obligations at March 31, 2021 includes $31 million relating to the long-term performance-based plan (December 31, 2020: $24 million). In the three months ended March 31, 2021 a $7 million charge was recognised in respect of the long-term performance-based plan (March 31, 2020: $nil).

11. Cash generated from operating activities

	Three months ended March 31, 2021 $'m	Three months ended March 31, 2020 (i) $'m
Loss for the period	**(42)**	**(25)**
Income tax credit	(5)	(11)
Net finance expense (Note 6)	43	44
Depreciation and amortization (Note 7)	71	63
Exceptional operating items (Note 5)	41	14
Long-term performance-based plan (Note 10)	7	—
Movement in working capital	(73)	(43)
Transformation-related and other exceptional costs paid	(15)	(5)
Exceptional restructuring paid	(4)	(2)
Cash generated from operating activities	**23**	**35**

(i) Loss for the period, income tax credit and depreciation and amortization for the three months ended March 31, 2020 have been re-presented to reflect revised fair values of the net assets acquired as part of the Food and Specialty business of Ardagh and Exal business acquisition. Please refer to Note 3 for further details.

12. Related party transactions

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

The Group recognized expenses of $4 million in respect of the MSA in the three months ended March 31, 2021 (March 31, 2020: $6 million).

In late May 2020, the Group entered into a revolving credit facility (the "Ardagh Credit Facility") with Ardagh. The amount under the Ardagh Credit Facility is $36 million. The Ardagh Credit Facility matures on April 30, 2021 and the Group took the decision not to extend the Ardagh Credit Facility given the available liquidity at March 31, 2021. At March 31, 2021, the amount drawn under the Ardagh Credit Facility was $nil (December 31, 2020: $nil).

At March 31, 2021 the Group has a net related party payable owing to Ardagh of $nil (December 31, 2020: $1 million).

13. Contingencies

Environmental issues

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

- the operation of installations for the 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 manufacture, sale and servicing of machinery and equipment for the container metal packaging industry.

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

Legal matters

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

With the exception of the above legal matter, at March 31, 2021, the Group is involved in certain other legal proceedings arising in the normal course of its business. The Group believes that none of these proceedings, either individually or in aggregate, are expected to have a material adverse effect on its business, financial condition, results of operations or cash flows.

14. Seasonality of operations

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

15. Other information

The ongoing COVID-19 pandemic and the related measures to prevent its spread, including the ongoing restrictions on travel, imposition of quarantines and prolonged closures of workplaces and other businesses, which resulted in ongoing lockdowns in many countries in which we do business, continued to not materially impact our operating results during the three months ended March 31, 2021.

Despite an ongoing adverse effect from reduced global economic activity as a result of the ongoing lockdowns for most of the first quarter, overall demand for the majority of our customers' products and, therefore, the products we manufacture, continued to not materially impact our operating results to date. The COVID-19 pandemic did not significantly impact our ability to operate our business, and there were no significant disruptions to our supply chain and workforce. The impact of the pandemic on capital markets is not expected to have a material impact on our cost of borrowing. During the three months ended March 31, 2021, incremental COVID-19 related costs, including safety and cleaning costs, continued to be incurred throughout the Group.

The ultimate significance of the impact of these disruptions will be determined by the length of time that such disruptions continue, which will, in turn, depend on the duration of the third wave of the COVID-19 pandemic, the impact of governmental and other regulations in response to the pandemic and the anticipated vaccine-powered macroeconomic recovery and consumer behavior in the second half of 2021.

16. Events after the reporting period

In early May, we were the subject of a cyber security incident, affecting many of our core IT systems. As a precaution all IT systems were turned off and isolated from the internet. Certain of our processes and operations, including supply chain and logistics platforms, have been impacted and some of our production operates at reduced capacity. Management believes that it has contained the incident and that the threat actor is no longer operating in our environment. We continue to take appropriate action to safeguard our IT systems, data and our ability to continue supplying our customers and to mitigate the impact of the incident.

We are also taking pro-active measures to mitigate the impact of the cyber security incident and to bring back those systems in a secure way as soon as possible. We expect to ramp up the restoration of our IT systems in line with our recovery plan at the start of June. Notwithstanding these actions, the incident has hindered and continues to hinder the shipment of certain deliveries and related inbound goods. This is likely to give rise to some deferral or loss of revenue, as well as to incremental costs, which may be substantial and the amounts of which cannot currently be estimated. The Group maintains insurance in respect of a wide range of risks. We continue to assess the overall operational and financial impact of this incident.

TRIVIUM PACKAGING

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

SELECTED FINANCIAL INFORMATION

The following discussion should be read together with, and is qualified in its entirety by, reference to the Unaudited Consolidated Interim Financial Statements for the three months ended March 31, 2021 including the related notes thereto. As used in this section, the "Group" refers to Trivium Packaging B.V. and its subsidiaries.

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

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

	Unaudited (in $ millions, except percentages)	
	Three months ended March 31, 2021	Three months ended March 31, 2020 (i)
Income statement data		
Revenue	706	619
Adjusted EBITDA (1)	115	85
Depreciation and amortization	(71)	(63)
Exceptional operating items (2)	(41)	(14)
Net finance expense (3)	(43)	(44)
Long-term performance-based plan (4)	(7)	—
Loss before tax	**(47)**	**(36)**
Income tax credit	5	11
Loss after tax	**(42)**	**(25)**
Other data		
Adjusted EBITDA margin (1)	16.3%	13.7%
Interest expense (3)	42	41
Capital expenditure (5)	33	30
Ratio of net debt to LTM adjusted EBITDA * (1)(8)(9)	6.8x	6.9x

	Unaudited	**Audited**
	At March 31, 2021	At December 31, 2020
	$'m	$'m
Balance sheet data		
Cash (6)	118	157
Total assets	5,376	5,535
Net borrowings (7)	3,033	3,030
Total equity	779	839
Net debt (8)(9)	2,942	2,926

(i) Loss for the period, income tax credit and depreciation and amortization for the three months ended March 31, 2020 have been re-presented to reflect revised fair values of the net assets acquired as part of the Food and Specialty business of Ardagh and Exal business acquisition. Please refer to Note 3 for further details.

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

All footnotes are on page 21 of this document.

OPERATING AND FINANCIAL REVIEW

The consolidated results for the three months ended March 31, 2021 and 2020 are presented below.

Reported Currency	Unaudited - Reported (in $ millions, except percentages) Three months ended March 31	
	2021	**2020**
Revenue		
Europe	493	450
Americas	213	169
Group	**706**	**619**
Adjusted EBITDA (1)		
Europe	76	55
Americas	41	32
Corporate costs *	(2)	(2)
Group	**115**	**85**
Adjusted EBITDA margin (1)		
Europe	15.4%	12.2%
Americas	19.2%	18.9%
Corporate costs	n/a	n/a
Group	**16.3%**	**13.7%**

Constant Currency	Unaudited - Constant Currency (in $ millions, except percentages) Three months ended March 31	
	2021	**2020**
Revenue		
Europe	493	489
Americas	213	169
Group	**706**	**658**
Adjusted EBITDA (1)		
Europe	76	60
Americas	41	32
Corporate costs *	(2)	(2)
Group	**115**	**90**
Adjusted EBITDA margin (1)		
Europe	15.4%	12.3%
Americas	19.2%	18.9%
Corporate costs	n/a	n/a
Group	**16.3%**	**13.7%**

*Adjusted EBITDA has been re-presented for the three months ended March 31, 2020, to conform with the 2021 Group presentation of its two operating and reportable segments, which as of January 1, 2021, excludes certain corporate headquarter costs that have not been allocated to the segments. In the three-month period ended March 31, 2020, the Group incurred corporate costs of $2 million, mainly in the Europe segment.

All footnotes are on page 21 of this document.

Review of the period

Three months ended March 31, 2021

Group

Revenue for the three-month period ended March 31, 2021 increased by $87 million, or 14%, to $706 million, compared with $619 million for the three-month period ended March 31, 2020. Adjusted EBITDA for the three-month period ended March 31, 2021 increased by $30 million, or 35%, to $115 million, compared with $85 million in the three-month period ended March 31, 2020. Excluding favorable foreign currency translation effects on revenue and adjusted EBITDA of $39 million and $5 million respectively, revenue increased by $48 million and adjusted EBITDA increased by $25 million.

Europe

Revenue for the three-month period ended March 31, 2021 increased by $43 million, or 10%, to $493 million, compared with $450 million in the three-month period ended March 31, 2020. On a constant currency basis, revenue increased by 1%, as higher selling prices relating to the pass-through of increased input costs were partly offset by unfavorable volume/mix effects. Adjusted EBITDA for the three-month period ended March 31, 2021 increased by $21 million, or 38%, to $76 million, compared with $55 million in the three-month period ended March 31, 2020. On a constant currency basis, adjusted EBITDA increased by 27%, mainly due to the positive year-on-year tinplate revaluation effect as well as the effects from the ongoing transformation plan.

Americas

Revenue for the three-month period ended March 31, 2021 increased by $44 million, or 26%, to $213 million, compared with $169 million for the three-month period ended March 31, 2020. The increase in revenue primarily relates to strong growth in our North American food business and higher selling prices relating to the pass-through of increased input costs. Adjusted EBITDA for the three-month period ended March 31, 2021 increased by $9 million, or 28%, to $41 million, compared with $32 million for the three-month period ended March 31, 2020. The increase in adjusted EBITDA is principally due to favorable volume/mix effects in the North American food business and the positive year-on-year tinplate revaluation effect, partly offset by higher operating and other costs.

Corporate costs

Corporate costs reflect certain headquarter costs that have not been allocated to the segments in the three-month period ended March 31, 2021. In the three-month period ended March 31, 2020, the Group incurred corporate costs of $2 million, mainly in the Europe segment.

Capital Expenditure

	Three months ended March 31, 2021			Three months ended March 31, 2020		
	Europe	Americas	Group	Europe	Americas	Group
	$'m	$'m	$'m	$'m	$'m	$'m
Capital Expenditure	25	8	33	27	3	30

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

Liquidity and Capital Resources at March 31, 2021

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

The following table outlines our principal financing arrangements as of March 31, 2021.

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn		Undrawn amount/ liquidity
		Local currency m			Local currency m	$'m	$'m
3.750% Senior Secured Notes	EUR	625	15-Aug-26	Bullet	625	733	—
5.500% Senior Secured Notes	USD	1,050	15-Aug-26	Bullet	1,050	1,050	—
Floating Senior Secured (three-month EURIBOR + 3.750%)	EUR	355	15-Aug-26	Bullet	355	416	—
8.500% Senior Notes	USD	700	15-Aug-27	Bullet	700	700	—
Global Asset Based Loan Facility	USD	204	31-Oct-24	Revolving	70	70	134
Lease Obligations	Various	—	—	Amortizing	—	92	—
Other Borrowings - Ardagh Credit Facility	USD	36	30-Apr-21	Revolving	—	—	36
Other Borrowings/credit lines	Various	—	—	Amortizing	—	—	—
Total borrowings / undrawn facilities						**3,061**	**170**
Deferred debt issue costs						(28)	—
Net borrowings / undrawn facilities						**3,033**	**170**
Cash and cash equivalents						(118)	118
Derivative financial instruments used to hedge foreign currency and interest rate risk						27	—
Net debt / available liquidity						**2,942**	**288**

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

The Group had $118 million in cash and cash equivalents and restricted cash as of March 31, 2021, as well as available but undrawn liquidity of $170 million under its credit facilities.

In late May 2020, the Group entered into a revolving credit facility (the "Ardagh Credit Facility") with Ardagh. The amount under the Ardagh Credit Facility is $36 million. The Ardagh Credit Facility matures on April 30, 2021 and the Group took the decision not to extend the Ardagh Credit Facility given the available liquidity at March 31, 2021. At March 31, 2021, the amount drawn under the Ardagh Credit Facility was $nil (December 31, 2020: $nil).

Receivables factoring and related programs

The Group participates in several uncommitted accounts receivable factoring and related programs with various financial institutions, accounted for as true sales of receivables, without recourse to the Group. Receivables of $189 million were sold under these programs at March 31, 2021 (December 31, 2020: $217 million).

Footnotes to the Selected Financial Information

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

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

(3) Finance and interest expense is as presented on page 10.

(4) Accrual for the long-term performance-based plan (expected to be payable in 2025) is included as part of other employee benefits in employee benefit obligations.

(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 unaudited Consolidated Interim Statement of Cash Flows on page 6.

(6) Cash and cash equivalents include restricted cash.

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

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

(9) Net debt to LTM adjusted EBITDA ratio at March 31, 2021 of 6.8x, is based on net debt at March 31, 2021 of $2,942 million and LTM adjusted EBITDA of $435 million. Net debt to pro-forma LTM adjusted EBITDA at March 31, 2021 of 6.5x, is based on net debt at March 31, 2021 of $2,942 million and pro-forma LTM adjusted EBITDA of $455 million. Pro-forma LTM adjusted EBITDA is calculated as full year 2020 adjusted EBITDA of $405 million plus at least $50 million of projected transformation benefits expected by December 2022. Further to the cyber security incident referred to in the Events after the reporting period (Note 16) of the unaudited consolidated interim financial statements, we will continue to assess whether the incident has any impact on the expected transformation benefits.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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