HISTORICAL FINANCIAL INFORMATION OF SMURFIT KAPPA

Index to the Historical Financial Information of Smurfit Kappa

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

Smurfit Kappa Group plc:

Opinion on the Consolidated Financial Statements

We have audited the accompanying Consolidated Balance Sheets of Smurfit Kappa Group plc and subsidiaries (the Company) as of December 31, 2023, 2022 and 2021, the related Consolidated Statements of Operations, Comprehensive Income, Changes in Equity, and Cash Flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the Consolidated Financial Statements). In our opinion, the Consolidated Financial Statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022 and 2021 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the Consolidated Financial Statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the Consolidated Financial Statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the Consolidated Financial Statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the Consolidated Financial Statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the Consolidated Financial Statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of the defined benefit pension obligations

As discussed in Note 18 to the Consolidated Financial Statements, the Company's defined benefit pension obligations totaled $2,319 million as of December 31, 2023. As discussed in Note 1, the measurement of the defined benefit pension obligations is dependent, in part, on the selection of certain actuarial assumptions, including discount rates.

We identified the evaluation of the discount rates used in the valuation of the defined benefit pension obligations as a critical audit matter. Specialized skills and knowledge were required to assess the discount rates and changes in the discount rates could have had a significant impact on the measurement of the estimated gross defined benefit pension obligations.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design of certain internal controls related to the valuation of the defined benefit pension obligations, including controls related to the determination of the discount rates. We involved actuarial professionals with specialized skills and knowledge, who assisted in evaluating the discount rates by assessing:

- the Company's methodology used to develop the discount rates;

- the selected yield curves by comparing them to spot rates; and
- changes in the discount rates from the prior year against changes in published indices using publicly available market data.

KPMG

We have served as the Company's auditor since 2018.

Dublin, Ireland

March 26, 2024

Consolidated Balance Sheets

(in $ millions, except share and per share data)

	As of December 31,		
	2023	2022	2021
Assets			
Current assets:			
Cash and cash equivalents, including restricted cash (amounts related to consolidated variable interest entities of $3 million, $5 million and $8 million at December 31, 2023, 2022 and 2021, respectively)	$ 1,000	$ 841	$ 985
Accounts receivable (amounts related to consolidated variable interest entities of $816 million, $947 million and $862 million at December 31, 2023, 2022 and 2021, respectively)	1,806	2,036	2,022
Inventories	1,203	1,354	1,212
Other current assets	561	591	424
Total current assets	4,570	4,822	4,643
Property plant and equipment, net	5,791	5,002	4,921
Operating lease right-of-use assets	374	339	368
Goodwill	2,842	2,722	2,880
Intangibles, net	218	231	239
Deferred tax assets	140	129	138
Other non-current assets	116	97	104
Total assets	**$14,051**	**$13,342**	**$13,293**
Liabilities and Equity			
Current liabilities:			
Accounts payable	$ 1,728	$ 1,930	$ 2,031
Accrued expenses	278	270	269
Accrued compensation and benefits	438	419	410
Current portion of debt	78	96	88
Current operating lease liabilities	113	89	95
Other current liabilities	371	449	333
Total current liabilities	3,006	3,253	3,226
Non-current debt due after one year	3,669	3,568	3,770
Non-current operating lease liabilities	269	255	285
Deferred tax liabilities	280	274	251
Pension liabilities and other postretirement benefits, net of current portion	537	523	702
Other non-current liabilities	116	126	130
Total liabilities	**$ 7,877**	**$ 7,999**	**$ 8,364**
Commitments and Contingencies (Note 21)	—	—	—
Equity:			
Common stock, €0.001 par value; and 9,910,931,085 shares authorized; 260,354,342, 259,033,759 and 259,033,759 shares outstanding at December 31, 2023, 2022 and 2021, respectively)	—	—	—
Convertible Class A, B, C & D stock of €0.001 par value; and 7,068,915; 30,000,000; 30,000,000; 75,000,000 shares authorized and Nil; 2,089,514; 2,089,514 and 786,486 shares outstanding, respectively at December 31, 2023, 2022 and 2021	—	—	—
Treasury stock, at cost (1,907,129, 1,633,722, and 1,974,476 common stock as of December 31, 2023, 2022 and 2021, respectively)	(91)	(78)	(69)
Capital in excess of par value	3,575	3,528	3,485
Accumulated other comprehensive loss	(847)	(1,209)	(946)
Retained earnings	3,521	3,087	2,444
Total stockholders' equity	6,158	5,328	4,914
Non-controlling interests	16	15	15
Total equity	6,174	5,343	4,929
Total liabilities and equity	**$14,051**	**$13,342**	**$13,293**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Operations

(in $ millions, except share and per share data)

	Years ended December 31,		
	2023	**2022**	**2021**
Net sales	$12,093	$ 13,509	$11,933
Cost of goods sold	(9,039)	(10,237)	(9,255)
Gross profit	**3,054**	**3,272**	**2,678**
Selling, general and administrative expenses	(1,599)	(1,529)	(1,421)
Goodwill impairment	—	(12)	—
Impairment of other assets	(5)	(173)	—
Transaction-related expenses associated with the proposed Combination	(78)	—	—
Operating profit	**1,372**	**1,558**	**1,257**
Pension and other postretirement non-service expense, net	(49)	(8)	(23)
Interest expense, net	(139)	(139)	(165)
Other (expense) income, net	(46)	15	9
Income before income taxes	**1,138**	**1,426**	**1,078**
Income tax expense	(312)	(391)	(276)
Net income	**826**	**1,035**	**802**
Less: Net income attributable to non-controlling interests	(1)	(1)	—
Net income attributable to common stockholders	**$ 825**	**$ 1,034**	**$ 802**
Basic earnings per share attributable to common stockholders	$ 3.19	$ 4.00	$ 3.12
Diluted earnings per share attributable to common stockholders	$ 3.17	$ 3.96	$ 3.08

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

(in $ millions, except share and per share data)

	Years ended December 31,		
	2023	**2022**	**2021**
Consolidated net income	$ 826	$1,035	$ 802
Other comprehensive income (loss), net of tax:			
Defined benefit pension and other post-retirement benefit plans:			
Net actuarial (loss) gain arising during period	(47)	13	128
Amortization and settlement recognition of net actuarial loss	31	32	56
Prior service (cost) credit arising during period	(3)	1	—
Amortization of prior service credit	(1)	(1)	(1)
Foreign currency (loss) gain—pensions	(33)	65	52
Other long-term employment benefit plans:			
Net actuarial gain arising during period	—	3	1
Amortization and settlement recognition of net actuarial gain	—	(3)	(1)
Foreign currency:			
Foreign currency translation gain (loss)	410	(366)	(326)
Derivatives:			
Changes in fair value of cash flow hedges	5	(6)	(4)
Changes in fair value of cost of hedging	—	(1)	(1)
Other comprehensive income (loss), net of tax	362	(263)	(96)
Comprehensive income	1,188	772	706
Less: Comprehensive income attributable to non-controlling interests	(1)	(1)	—
Comprehensive income attributable to common stockholders	**$1,187**	**$ 771**	**$ 706**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(in $ millions, except share and per share data)

	Years ended December 31,		
	2023	**2022**	**2021**
Operating activities:			
Consolidated net income	$ 826	$ 1,035	$ 802
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	580	564	554
Goodwill impairment	—	12	—
Impairment of other assets	5	109	—
Share-based compensation expense	66	68	82
Deferred tax (benefit) expense	(28)	41	(22)
Pension and other postretirement funding (more) less than cost (income)	(39)	(61)	(48)
Other	(10)	(18)	(11)
Change in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts receivable	245	(91)	(501)
Inventories	220	(209)	(297)
Other assets	43	(116)	(94)
Accounts payable	(260)	(33)	585
Income taxes payable or refundable	(99)	53	(19)
Accrued liabilities and other	10	79	51
Net cash provided by operating activities	**$1,559**	**$ 1,433**	**$ 1,082**
Investing activities:			
Capital expenditures	$ (929)	$ (930)	$ (715)
Cash paid for purchase of businesses, net of cash acquired	(29)	(93)	(480)
Receipt of capital grants	14	6	6
Proceeds from divestitures	—	—	39
Proceeds from sale of property, plant and equipment	17	13	19
Deferred consideration paid	(4)	(15)	(41)
Cash paid for purchase of other assets	—	(1)	—
Net cash used for investing activities	**$ (931)**	**$(1,020)**	**$(1,172)**
Financing activities:			
Additions to debt	$ 88	$ 52	$ 1,248
Net repayments of revolving credit facility	(4)	—	(109)
Repayments of debt	(136)	(56)	(665)
Repayment of lease liabilities	(3)	(3)	(3)
Debt issuance costs	—	—	(14)
Purchases of treasury stock	(30)	(32)	(28)
Share buyback	—	(42)	—
Cash dividends paid to stockholders	(391)	(349)	(365)
Cash dividends paid to non-controlling interests	—	(1)	—
Other	(3)	—	12
Net cash (used for) generated by financing activities	**$ (479)**	**$ (431)**	**$ 76**
Increase (decrease) in cash, cash equivalents and restricted cash	**$ 149**	**$ (18)**	**$ (14)**
Cash, cash equivalents and restricted cash at beginning of period	**841**	**985**	**1,106**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	10	(126)	(107)
Cash, cash equivalents and restricted cash at end of period	**$1,000**	**$ 841**	**$ 985**
Supplemental cash flow information:			
Cash paid for interest, net of interest received	$ 146	$ 129	$ 158
Cash paid for income taxes, net of refunds	$ 439	$ 338	$ 283

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

(in $ millions, except share and per share data)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par value	Treasury Stock Amount	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-controlling Interest	Total
Balance at December 31, 2020	**258**	**$—**	**$3,423**	**$(55)**	**$2,007**	**$ (850)**	**$4,525**	**$15**	**$4,540**
Net income	—	—	—	—	802	—	802	—	802
Other comprehensive loss, net of tax	—	—	—	—	—	(96)	(96)	—	(96)
Share-based payments	—	—	76	—	—	—	76	—	76
Issuance of common stock	1	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	(28)	—	—	(28)	—	(28)
Shares distributed by Smurfit Kappa Employee Trust	—	—	(14)	14	—	—	—	—	—
Dividends declared (€1.17 per share)	—	—	—	—	(365)	—	(365)	—	(365)
Balance at December 31, 2021	**259**	**$—**	**$3,485**	**$(69)**	**$2,444**	**$ (946)**	**$4,914**	**$15**	**$4,929**
Net income	—	—	—	—	1,034	—	1,034	1	1,035
Other comprehensive loss, net of tax	—	—	—	—	—	(263)	(263)	—	(263)
Share-based payments	—	—	66	—	—	—	66	—	66
Issuance of common stock	1	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	(32)	—	—	(32)	—	(32)
Shares distributed by Smurfit Kappa Employee Trust	—	—	(23)	23	—	—	—	—	—
Share buyback	—	—	—	(42)	—	—	(42)	—	(42)
Cancellation of common stock	(1)	—	—	42	(42)	—	—	—	—
Dividends declared (€1.28 per share)	—	—	—	—	(349)	—	(349)	(1)	(350)
Balance at December 31, 2022	**259**	**$—**	**$3,528**	**$(78)**	**$3,087**	**$(1,209)**	**$5,328**	**$15**	**$5,343**
Net income	—	—	—	—	825	—	825	1	826
Other comprehensive income, net of tax	—	—	—	—	—	362	362	—	362
Share-based payments	—	—	64	—	—	—	64	—	64
Issuance of common stock	1	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	(30)	—	—	(30)	—	(30)
Shares distributed by Smurfit Kappa Employee Trust	—	—	(17)	17	—	—	—	—	—
Dividends declared (€1.41 per share)	—	—	—	—	(391)	—	(391)	—	(391)
Balance at December 31, 2023	**260**	**$—**	**$3,575**	**$(91)**	**$3,521**	**$ (847)**	**$6,158**	**$16**	**$6,174**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Smurfit Kappa Group plc

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in $ millions, except share and per share data)

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Unless the context otherwise requires, "we", "us", "our", "Smurfit Kappa" and "the Company" refer to the business of Smurfit Kappa Group plc, its wholly-owned subsidiaries and its partially-owned consolidated subsidiaries.

We are a multinational manufacturer, distributor and seller of containerboard, corrugated containers and other paper-based packaging products. We partner with our customers to provide differentiated, sustainable paper and packaging solutions that enhance our customers prospects of success in their markets. Our team members support customers around the world from our operating and business locations in Europe and the Americas.

Transaction Agreement with WestRock Company

On September 12, 2023, Smurfit Kappa and WestRock Company, a public company incorporated in Delaware ("WestRock") announced they had reached a definitive agreement on the terms of a proposed combination (the "Transaction Agreement") to be implemented through (i) an acquisition by Smurfit WestRock Limited (to be re-registered as a public limited company under the laws of Ireland and renamed Smurfit WestRock plc) ("Smurfit WestRock") of the entire issued share capital of Smurfit Kappa by means of a scheme of arrangement under Section 450 of the Companies Act 2014 of Ireland (the "Scheme"); and (ii) a merger of a subsidiary of Smurfit WestRock with and into WestRock (the "Merger" and together with the Scheme, the "Combination").

Under the terms of the Transaction Agreement:

i. for each share of common stock of WestRock (a "WestRock Share"), the common stockholders of WestRock will receive one new Smurfit WestRock share and $5.00 in cash; and

ii. for each ordinary share of the Company (a "Smurfit Kappa Share"), the shareholders of the Company will receive one new Smurfit WestRock share.

In conjunction with the Combination, Smurfit Kappa entered into a commitment letter under which Citibank, N.A., London Branch and Citicorp North America Inc. arranged and underwrote a $1,500 million senior unsecured bridge term loan for the purpose of financing (directly or indirectly) the cash consideration and/or fees, commissions, costs and expenses payable in relation to the Combination. On October 13, 2023, Smurfit Kappa entered into a $1,500 million bridge facility agreement with Citibank, N.A., London Branch and certain other financial institutions. Upon entering into the bridge facility agreement, the commitments under the commitment letter were cancelled. Refer to Note 10. Debt for more information.

Following completion of the Combination ("Completion"), Smurfit WestRock will be the parent company of the combined group. The combined group will be headquartered and domiciled in Dublin, Ireland, with North and South American headquarters in Atlanta, Georgia, U.S. Smurfit WestRock will have a dual listing on the New York Stock Exchange ("NYSE") and the standard listing segment of the Official List of the Financial Conduct Authority ("FCA"), and the shares of Smurfit WestRock (the "Smurfit WestRock Shares") will be admitted to trading on the NYSE and the main market for listed securities of the London Stock Exchange ("LSE").

The Combination is subject to certain conditions set forth in the Transaction Agreement, including, but not limited to: certain regulatory clearances, approval by the shareholders of the Company and stockholders of WestRock, sanction of the Scheme by the High Court of Ireland, the US registration statement for the offer of the shares of Smurfit WestRock being declared effective by the Securities and Exchange Commission ("SEC"), approval of the shares of Smurfit WestRock for listing on the NYSE, and approval of the shares of Smurfit WestRock for listing on the standard listing segment of the Official List of the FCA.

Subject to shareholder approval and other closing conditions, the Combination is expected to close in early July 2024.

The Transaction Agreement contains certain termination rights for both parties. Each of the Company and WestRock may be required to make payments to the other party in connection with the termination of the Transaction Agreement under specified circumstances.

During the year the Company incurred transaction-related expenses associated with the proposed Combination of $78 million, these comprised primarily of banking and financing related costs as well as legal and other professional services.

Basis of Presentation and Principles of Consolidation

The Consolidated Financial Statements have been derived from the historical accounting records of Smurfit Kappa and were prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"). The Company's fiscal year ends December 31. The reporting currency is the United States Dollar ("the U.S. Dollar").

The Consolidated Financial Statements include the accounts of Smurfit Kappa Group plc, and our wholly and partially owned subsidiaries for which we have a controlling financial interest, including variable interest entities for which we are the primary beneficiary. We have eliminated all intercompany accounts and transactions.

The Company consolidates entities in which it has a controlling financial interest based on either the variable interest entity ("VIE") or voting interest model.

The Company consolidates entities that are VIEs when the Company determines it is the primary beneficiary. Generally, the primary beneficiary of a VIE is a reporting entity that has (a) the power to direct the activities that most significantly affect the VIE's economic performance, and (b) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Use of Estimates

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities and reported amounts of revenues and expenses. Such estimates include goodwill impairment, income taxes and pension and other postretirement benefits. These estimates and assumptions are based on management's judgment. Actual results may differ from those estimates, and the differences could be material.

We base our estimates on the current information available, our experiences and various other assumptions believed to be reasonable under the circumstances. The process of determining significant estimates is fact specific and takes into account factors such as historical experience, current and expected economic conditions, product mix, and in some cases, actuarial techniques. We regularly evaluate these significant factors and make adjustments in the Consolidated Financial Statements where facts and circumstances dictate.

Revenue Recognition

The Company's revenue is primarily derived from the sale of containerboard, corrugated containers and other paper-based packaging products. All revenue relates to revenue from contracts with customers. Contracts with customers include a single performance obligation to sell these products and do not generally contain multiple performance obligations.

We recognize revenue at a point-in-time basis when the customer takes title to the goods and assumes the risks and rewards for the goods, which coincide with the transfer of control of our goods to the customer upon delivery. We net provisions for early settlement discounts, returns, refunds, allowances, volume-based rebates and other adjustments against our gross sales. Such adjustments are based on historical experience which is consistent with the most likely method as provided in ASC 606 "Revenue from Contracts with Customers" ("ASC 606").

As permitted by ASC 606, we have elected to treat costs associated with obtaining new contracts as expenses when incurred if the amortization period of the asset we would recognize is one year or less. We do not record interest income when the difference in timing of control transfer and customer payment is one year or less. No element of financing is deemed present as the sales are made with credit terms consistent with market practice and are in line with normal credit terms in the entities' country of operation.

We also account for sales and other taxes that are imposed on and concurrent with individual revenue-producing transactions between a customer and us on a net basis which excludes the taxes from our net sales.

We primarily derive revenue from fixed consideration. Certain contracts may also include variable consideration, typically in the form of cash discounts and volume rebates. If a contract with a customer includes variable consideration, we estimate the expected cash discounts and other customer refunds based on historical experience. We concluded this method is consistent with the most likely amount method under ASC 606 and allows us to make the best estimate of the consideration we will be entitled to from customers.

Contracts or purchase orders with customers could include a single type of product or multiple types and grades of products. Regardless, the contract price with the customer is agreed to at the individual product level outlined in the customer contracts or purchase orders. Management has concluded that the prices negotiated with each individual customer are representative of the stand-alone selling price of the product.

Shipping and Handling Costs

We classify shipping and handling costs, such as freight to our customers' destinations, as a component of cost of goods sold.

Cash, Cash Equivalents and Restricted Cash

We consider all highly liquid investments that mature three months or less from the date of purchase to be cash equivalents. The carrying amounts of our cash and cash equivalents approximate fair market values.

Restricted cash consists of cash held by us for specific legal or contractual reasons and is not available for immediate business use. Restricted cash is included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows when the contractual restrictions do not change the nature of the demand deposit.

Accounts Receivable and Allowances

Our accounts receivable arises throughout the Company's operations from a diverse and varied customer base, and as such there is no significant concentration of credit risk. Credit evaluations are performed on all customers over certain thresholds and all customers are subject to continued monitoring. Credit limits are reviewed on a regular basis.

We perform an evaluation of the current expected credit losses ("CECL") inherent in our accounts receivable at each balance sheet date. Such an evaluation includes consideration of historical loss experience, trends in customer payment frequency, present economic conditions, and judgment about the future financial health of our customers and industry sector. Generally, credit terms associated with our receivables collection are approximately 30 to 90 days.

We state accounts receivable at the amount owed by the customer, net of an allowance for estimated credit impairment losses, returns and allowances, cash discounts and other adjustments. We do not discount accounts receivable because we generally collect accounts receivable over a relatively short time. We write off receivables when they are no longer determined to be collectible.

See "Note 5. Accounts Receivable" for additional information on accounts receivable and allowances. See "Note 10. Debt" for additional information on receivables securitization facilities.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined on a first-in, first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition.

Raw materials are valued on the basis of purchase cost on a first-in, first-out basis. For finished goods and work-in-progress, cost includes direct materials, direct labor and attributable overheads based on normal operating capacity and excludes borrowing costs. Net realizable value is the estimated proceeds of sale less costs to completion and any costs to be incurred in selling and distribution.

We include the cost of wood harvested from forest lands in the carrying values of raw materials.

Full provision is made for all damaged, deteriorated and unusable material. The Company regularly reviews inventory quantities on-hand for excess and obsolete inventory and, when circumstances indicate, records charges to write-down inventories to their estimated net realizable value. Any write-down of inventory to net realizable value creates a new cost basis for that inventory. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished goods, in which they will be incorporated, are expected to be sold at or above cost. See “Note 6. Inventories” for additional information.

Leased Assets

We lease various real estate, including certain operating facilities, warehouses, office space and land. We also lease equipment and vehicles.

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. We recognize a right-of-use (“ROU”) asset and a lease liability at the lease commencement date which is the date at which the asset is made available for our use. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. We categorize leases with contractual terms longer than 12 months as either operating or finance.

Finance leases are generally those leases that allow us to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are recorded in “Property, plant and equipment, net.” All other leases are categorized as operating leases.

For operating and finance leases, the lease liability is initially measured at the present value of the future lease payments at the lease commencement date. The lease liability is subsequently measured at amortized cost using the effective-interest method. Our leases may include options to extend or terminate the lease. These options to extend are included in the lease term when it is reasonably certain that we will exercise that option. As the implicit rate is generally not readily determinable for our leases, we apply a portfolio approach using an estimated incremental borrowing rate to determine the initial present value of lease payments over the lease terms on a collateralized basis over a similar term, which is based on market and company specific information.

We use the unsecured borrowing rate and risk-adjust that rate to approximate a collateralized rate, and apply the rate based on the currency of the lease.

While some leases provide for variable payments, they are not included in the ROU assets and liabilities because they are not based on an index or rate. Variable payments for real estate leases primarily relate to common area maintenance, insurance, taxes and utilities. Variable payments for equipment, vehicles and leases within supply agreements primarily relate to usage, repairs, and maintenance. We have made an accounting policy election to not recognize an ROU asset and liability for leases with a term of 12 months or less unless the lease includes an option to renew or purchase the underlying asset that we are reasonably certain to exercise. In addition, the Company has applied the practical expedient to account for the lease and non-lease components as a single lease component for all of the Company’s leases. See “Note 11. Leases” for additional information.

Property, Plant and Equipment

We record property, plant and equipment at cost less accumulated depreciation and impairment charges. Cost includes major expenditure for improvements and replacements that extend useful lives, increase capacity, increase revenues or reduce costs, while normal maintenance and repairs are expensed as incurred. For financial reporting purposes, we provide depreciation and amortization primarily on a straight-line method generally over the estimated useful lives of the assets as follows:

Plant and Equipment	3–30 years
Buildings and Building Improvements	10–50 years

The estimated residual value and the useful lives of assets are reviewed at each reporting date. The useful lives of assets could be reduced by climate-related factors, for example, because of physical risks, obsolescence or legal restrictions. Capital expenditure will continue to be required for ongoing projects in order to meet our climate change targets and the useful lives of future capital expenditure may differ from current assumptions, however there are no significant changes in the estimates of useful lives during the current financial year. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the Consolidated Statements of Operations.

Capitalization of costs in respect of constructing an asset commences when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Cost includes expenditure that is directly attributable to the construction of the asset. Construction in progress is not depreciated and is assessed for impairment when there is an indicator of impairment. When these assets are available for use, they are transferred out of construction in progress to the applicable heading under property, plant and equipment.

Forest lands consist of standing timber. Timber is stated at cost less depletion. Depletion refers to the carrying value of timber that is harvested. Costs related to acquiring, planting and growing timber and expenditure directly attributable to the timber are capitalized. At the time of harvest, the cost of the wood harvested is included in inventories.

Goodwill and Non-current Assets

The amount of goodwill acquired in a business combination that is assigned to one or more reporting units as of the acquisition date is the excess of the purchase price of the acquired businesses (or portion thereof) included in the reporting unit, over the fair value assigned to the individual assets acquired or liabilities assumed from a market participant perspective. Goodwill is assigned to the reporting unit(s) expected to benefit from the synergies of the combination even though other assets or liabilities of the acquired entity may not be assigned to that reporting unit. We determine recoverability by comparing the estimated fair value of the reporting unit to which the goodwill applies to the carrying value, including goodwill, of that reporting unit.

In accordance with ASC 350, “Intangibles—Goodwill and Other” (“ASC 350”), we review the carrying value of our goodwill annually or more often if events or changes in circumstances indicate that the carrying amount may exceed fair value. We test goodwill for impairment at the reporting unit level, which is an operating segment or one level below an operating segment, referred to as a component. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and segment management regularly reviews the operating results of that component. However, two or more components of an operating segment are aggregated and deemed a single reporting unit if the components have similar economic characteristics. We determine the fair value of each reporting unit using the discounted cash flow method or, as appropriate, a combination of the discounted cash flow method and the guideline public company method.

ASC 350 allows an optional qualitative assessment, prior to a quantitative assessment test, to determine whether it is “more likely than not” that the fair value of a reporting unit exceeds its carrying amount. We generally do not perform a qualitative assessment and move directly to the quantitative test. As part of the quantitative test, we utilize the present value of expected cash flows. This present value model requires management to estimate future cash flows, the timing of these cash flows, and a discount rate (based on a weighted average cost of capital), which represents the time value of money and the inherent risk and uncertainty of the future cash flows. Factors that management must estimate when performing this step in the process include, among other items, sales volume, sales prices, inflation, discount rates, exchange rates, tax rates, anticipated synergies and productivity improvements resulting from past acquisitions, capital expenditures and continuous improvement projects. The assumptions we use to estimate future cash flows are consistent with the assumptions that the reporting units use for internal planning purposes, which we believe would be generally consistent with that of a market participant. If we determine that the estimated fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired. If we determine that the carrying amount of the reporting unit exceeds its estimated fair value, we measure the goodwill impairment charge based on the excess of a reporting unit’s carrying amount over its fair value as required under ASU 2017-04 “Simplifying the Test for Goodwill Impairment.”

We follow the provisions included in ASC 360, “Property, Plant, and Equipment” in determining whether the carrying value of any of our non-current assets, including ROU assets and amortizable intangibles other than goodwill, is impaired. We determine whether indicators of impairment are present. We review non-current assets for impairment when events or changes in circumstances indicate that the carrying amount of the non-current asset might not be recoverable. If we determine that indicators of impairment are present, we determine whether the estimated undiscounted cash flows for the potentially impaired assets are less than the carrying value.

This requires management to estimate future cash flows through operations over the remaining useful life of the asset and its ultimate disposition. The assumptions we use to estimate future cash flows are consistent with the assumptions we use for internal planning purposes, updated to reflect current expectations. If our estimated undiscounted cash flows do not exceed the carrying value, we estimate the fair value of the asset and record an impairment charge if the carrying value is greater than the fair value of the asset. We estimate fair value using discounted cash flows, observable prices for similar assets, or other valuation techniques.

Our judgments regarding the existence of impairment indicators are based on legal factors, market conditions and operational performance. Future events could cause us to conclude that impairment indicators exist and that assets associated with a particular operation are impaired. Evaluating impairment also requires us to estimate future operating results and cash flows, which also require judgment by management. Any resulting impairment loss could have a material adverse impact on our financial condition and results of operations.

Business Combinations

In accordance with ASC 805, "Business Combinations" ("ASC 805"), we recognize the identifiable assets acquired, the liabilities assumed, and any non-controlling interests in an acquiree at their fair values as of the date of acquisition. We measure goodwill as the excess of consideration transferred, which we also measure at fair value, over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. The acquisition method of accounting requires us to make significant estimates and assumptions regarding the fair values of the elements of a business combination as of the date of acquisition, including the fair values of identifiable intangible assets, deferred tax asset valuation allowances, liabilities including those related to debt, pensions and other postretirement plans, uncertain tax positions, contingent consideration and contingencies. Significant estimates and assumptions include subjective and/or complex judgments regarding items such as discount rates, customer attrition rates, economic lives and other factors, including estimating future cash flows that we expect to generate from the acquired assets.

The acquisition method of accounting also requires us to refine these estimates over a measurement period not to exceed one year to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. If we are required to adjust provisional amounts that we have recorded for the fair values of assets and liabilities in connection with acquisitions, these adjustments could have a material impact on our financial condition and results of operations. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could record future impairment charges. In addition, we have estimated the economic lives of certain acquired assets and these lives are used to calculate depreciation and amortization expense. If our estimates of the economic lives change, depreciation or amortization expenses could be increased or decreased, or the acquired asset could be impaired. Acquisition related costs are expensed as incurred.

In a business combination achieved in stages, the cost includes the acquisition date fair value of any pre-existing equity interest in the subsidiary. When settlement of all or part of a business combination is deferred, the fair value of the deferred component is determined by discounting the amounts payable to their present value at the date of exchange. Where a business combination agreement provides for an adjustment to the purchase consideration which is contingent on future events, the contingent consideration is measured at fair value. Any subsequent remeasurement of the contingent amount is recognized in the Consolidated Statements of Operations if it is identified as a financial liability.

Fair Value of Financial Instruments and Nonfinancial Assets and Liabilities

We estimate fair values in accordance with ASC 820 "Fair Value Measurement" ("ASC 820"). ASC 820 provides a framework for measuring fair value and expands disclosures required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and a hierarchy prioritizing the inputs to valuation techniques. ASC 820 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Additionally, ASC 820 defines levels within the hierarchy based on the availability of quoted prices for identical items in active markets, similar items in active or inactive markets and valuation techniques using observable and unobservable inputs. We incorporate credit valuation adjustments to reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in our fair value measurements.

The hierarchy consists of:

- Level 1: fair value measurements represent exchange-traded securities, which are valued at quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date;
- Level 2: fair value measurements are determined using input prices that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data; and
- Level 3: fair value measurements are determined using unobservable inputs, such as internally developed pricing models for the asset or liability due to little or no market activity for the asset or liability.

Financial instruments not recognized at fair value on a recurring or nonrecurring basis include cash and cash equivalents, accounts receivables, certain other current assets, short-term debt, accounts payable, certain other current liabilities and non-current debt. With the exception of non-current debt, the carrying amounts of these financial instruments approximate their fair values due to their short maturities. The fair value of debt such as debentures and various notes are based on broker prices at the balance sheet date. The fair value of the revolving credit facility is based on the present value of its estimated future cash flows discounted at an appropriate market discount rate at the balance sheet date.

We disclose the fair value of non-current debt in “Note 14. Fair Value Measurement” and our pension and postretirement assets and liabilities in “Note 18. Retirement Plans.”

Derivative Financial Instruments and Hedging Activities

The Company uses derivative financial instruments to manage certain foreign currency, interest rate and commodity price exposures. All derivatives are recognized at fair value. The treatment of changes in fair value depends on whether the derivative is designated as a hedging instrument, the nature of the item being hedged and the effectiveness of the hedge. The Company designates certain derivatives as follows:

- Hedges of a particular risk associated with a recognized fixed or floating rate asset or liability or a probable forecast transaction (cash flow hedges);
- Hedges of changes in the fair value of a recognized asset or liability (fair value hedges); and
- Hedges of net investments in foreign operations (net investment hedges).

At inception the Company documents the relationship between the hedging instrument and hedged items, its risk management objectives and the strategy for undertaking the transaction. The Company also documents its assessment of whether the derivative is highly effective in offsetting changes in fair value or cash flows of hedged items, both at inception and in future periods.

The fair values of various derivative instruments used for hedging purposes are disclosed in “Note 13. Derivative Financial Instruments.” Movements on the cash flow hedging reserve and cost of hedging reserve in Accumulated Other Comprehensive Income (Loss) are shown in the Consolidated Statements of Comprehensive Income. The fair value of a hedging derivative is classified as a non-current asset or liability when its remaining maturity is more than one year; it is classified as a current asset or liability when its remaining maturity is less than one year. The current interest value in the fair value of a hedging derivative is also separately recognized as a current asset or liability in the financial statements. Non-hedging derivative assets and liabilities are classified as current or non-current based on expected realization or settlement dates.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the carrying amount in the financial statements and the tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The tax effects of accumulated other comprehensive income (loss) are eliminated when the circumstances upon which it is premised cease to exist. Where applicable, the portfolio approach is utilized. All deferred tax assets and liabilities are classified as non-current in our Consolidated Balance Sheets.

We reduce deferred tax assets with a valuation allowance to the amount we believe is more-likely than-not to be realized. In making such determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, recent financial operations and carry back availability, if any. In the event we were to determine that we would be able to realize or not realize our deferred tax assets in the future at their net recorded amount, we would make an adjustment to the valuation allowance, which would reduce or increase income tax expense, respectively.

Certain provisions of ASC 740, "Income Taxes" ("ASC 740") provide that a "tax position that meets the more-likely-than-not recognition threshold shall initially and subsequently be measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement with a taxing authority that has full knowledge of all relevant information." We use significant judgment in (i) determining whether a tax position, based solely on its technical merits, is more-likely- than-not to be sustained upon examination and (ii) measuring the tax benefit as the largest amount of benefit that is greater than 50-percent likely of being realized upon settlement. We do not record any benefit for the tax positions where we do not meet the initial recognition threshold. Income tax positions must meet the ASC 740 recognition criteria as of the reporting date to be recognized. We recognize material interest related to tax positions in interest expense in the Consolidated Statements of Operations. We recognize material penalties related to tax positions in income tax expense in the Consolidated Statements of Operations. Resolution of tax positions are not expected to have a material adverse effect on our cash flows nor materially benefit our results of operations in future periods upon their resolution.

Pension and Other Postretirement Benefits

We account for pension and other postretirement benefits in accordance with ASC 715, "Compensation—Retirement Benefits." Accordingly, we recognize the funded status of our pension plans as assets or liabilities in our Consolidated Balance Sheets. The funded status is the difference between our projected benefit obligations and fair value of plan assets. The determination of our obligation and expense for pension and other postretirement benefits is dependent on our selection of certain assumptions used by actuaries in calculating such amounts.

We describe these assumptions in "Note 18. Retirement Plans", which include, among others, the discount rate, expected long-term rates of return on plan assets and rates of increase in compensation levels. We defer actual results that differ from our assumptions, i.e., actuarial gains and losses, and amortize the difference over future periods. Therefore, these differences generally affect our recognized expense and funding requirements in future periods. We also have a number of actuarially valued long-term benefit plans ("jubilee plans") which are recorded within other non-current liabilities and other (expense) income, net.

Actuarial gains and losses occur when actual experience differs from the estimates used to determine the components of net periodic pension cost and when certain assumptions used to determine the fair value of the plan assets or projected benefit obligation are updated, such as but not limited to, changes in the discount rate, plan amendments, differences between actual and expected returns on plan assets, mortality assumptions and plan remeasurement.

Actuarial gains or losses that arise during the year are recognized as a component of accumulated other comprehensive income (loss). The amount in excess of a corridor is subsequently amortized on a plan-by-plan basis either over the average future service of the plan participants or for plans where all or almost all of the plan participants are inactive, the average life expectancy of inactive plan participants and are recognized as a component of net period benefit cost. The corridor represents the excess over 10% of the greater of the projected benefit obligation or the fair value of plan assets and is determined on a plan-by-plan basis. While we believe that our assumptions are appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our pension and other post-retirement benefit obligations and our future expense.

Share-Based Compensation

We recognize expense for share-based compensation plans based on the estimated fair value of the related awards in accordance with ASC 718, "Compensation—Stock Compensation." Pursuant to our Deferred Bonus Plan ("DBP") and our Performance Share Plan ("PSP"), we grant conditional awards to our employees. The grants made under the DBP and PSP generally vest over a period of three years. All of our share-based compensation awards are classified as equity awards. We measure share-based compensation awards using fair value-based measurement methods. This results in the recognition of compensation expense for all share-based compensation awards based on their fair value as of the grant date. Compensation expense is recognized over the requisite service period for time and performance-based awards. Forfeitures are estimated based on historical experience. We charge the compensation expense under the plans to earnings over each award's individual vesting period. The awards under the PSP generally contain performance and market conditions in conjunction with a service requirement. The performance conditions are reviewed at the end of a three-year period. For awards vesting based on market conditions, compensation expense is recognized whether or not the market condition is met, as long as the service condition is met. For awards vesting based on performance conditions, compensation expense is recognized only if it is probable the performance condition will be achieved. The Company reassesses the probability of vesting at each reporting period and adjusts compensation expense based on its probability assessment.

Foreign Currency

The Consolidated Financial Statements are presented in the U.S. Dollar, which is the reporting currency of the Company. The functional currency of the Company is the Euro. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the foreign exchange rate ruling at the reporting date.

Non-monetary assets and liabilities carried at cost are not subsequently retranslated. Non-monetary assets carried at fair value are subsequently remeasured at the exchange rate at the date of valuation. Foreign exchange differences arising on translation are recognized within "Other (expense) income, net" with the exception of differences on foreign currency borrowings that qualify as a hedge of the Company's net investment in foreign operations. The portion of exchange gains or losses on foreign currency borrowings used to provide a hedge against a net investment in a foreign operation and that is determined to be an effective hedge is recognized in other comprehensive income.

Further, we translate the assets and liabilities from the respective functional currency to U.S. Dollars using end-of-period exchange rates. Changes in the carrying value of these assets and liabilities attributable to fluctuations in exchange rates are recognized in foreign currency translation, a component of Total Other comprehensive income / (loss), net of tax. On consolidation, foreign exchange differences arising on translation of net investments including those arising on non-current intragroup loans deemed to be quasi-equity in nature are recognized in other comprehensive income. When a quasi-equity loan ceases to be designated as part of the Company's net investment, accumulated currency differences are reclassified to profit or loss only when there is a change in the Company's proportional interest. On disposal of a foreign operation, accumulated currency translation differences are reclassified to profit or loss as part of the overall gain or loss on disposal.

We recorded a gain (loss) on foreign currency transactions of $(52) million, $(2) million and $4 million in the years ended December 31, 2023, 2022 and 2021, respectively.

Highly Inflationary Economies

Argentina

Through our investments in Packaging Investments Netherlands ("PIN") B.V. and Packaging Investments Holdings ("PIH") B.V, the Company has subsidiary companies that are operating in a highly inflationary economy i.e. Argentina, as determined in accordance with ASC 830 "Foreign Currency Matters." Argentina became hyperinflationary during 2018, due to negative economic trends in the country, including multiple periods of increasing inflation rates, devaluation of the Argentine peso, and increasing borrowing rates locally. The cumulative three-year inflation rate for the country exceeded 100% at that time, and is expected to exceed 100% for the foreseeable future. Therefore, effective from 2018, the operating entity was considered to be functioning in a highly inflationary economy and began using the U.S. Dollar as its functional currency.

Argentina's net sales represented approximately 2.4%, 2.2% and 1.6% of our total net sales for the years ended December 31, 2023, 2022 and 2021, respectively. The operating entity's monetary and non-monetary assets and liabilities held in local currency consist primarily of property, plant and equipment, inventory and accounts receivable assets and accounts payable liabilities, which make up less than 3.9%, 3.0%, and 1.9% of our total assets and total liabilities as of December 31, 2023, 2022 and 2021, respectively.

Changes in the Argentine peso exchange rate will result in foreign currency exchange gains or losses on the operating entity's peso denominated monetary assets and liabilities. Subsequent to the conversion, the Company recorded a $42 million net loss, $16 million net gain and $6 million net gain within other (expense) income, net in the Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021, respectively, which reflects the remeasurement of the operating entity's monetary assets and liabilities denominated in Argentine peso using an exchange rate of 808, 177 and 103 Argentine peso to the U.S. Dollar at December 31, 2023, 2022 and 2021, respectively.

New Accounting Standards Recently Adopted

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." This ASU provides temporary optional expedients and exceptions for applying GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate. In January 2021, the FASB issued ASU 2021-01, which adds implementation guidance to clarify certain optional expedients in Topic 848. The ASUs could be adopted after their respective issuance dates through December 31, 2022. In December 2022, the FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848", which extends the period of time that entities can utilize the reference rate reform relief guidance under ASU 2020-04 from December 31, 2022 to December 31, 2024. The adoption of these ASUs did not have a material impact on our Consolidated Financial Statements.

In October 2021, the FASB issued ASU 2021-08, "Business Combinations (Topic 805)—Accounting for Contract Assets and Contract Liabilities from Contracts with Customers". This ASU requires an entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606. This ASU is intended to reduce diversity in practice and increase comparability for both the recognition and measurement of acquired revenue contracts with customers at the date of and after a business combination. This ASU is effective for fiscal years beginning after December 15, 2022, including interim periods therein, with early adoption permitted. The adoption of this ASU did not have a material impact on our Consolidated Financial Statements.

New Accounting Standards Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The ASU requires an entity to disclose incremental segment information, including enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for the Company's annual reporting periods beginning after December 15, 2023. Adoption is a fully retrospective method of transition. Early adoption is permitted. The Company is currently evaluating the effect that adoption of ASU 2023-07 will have on its Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The ASU requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Company's annual reporting periods beginning after December 15, 2024. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Company is currently evaluating the effect that adoption of ASU 2023-09 will have on its Consolidated Financial Statements.

2. Acquisitions

The following relates to acquisitions by the Company that took place in the years ended December 31, 2023, 2022 and 2021. We accounted for these acquisitions in accordance with Accounting Standards Codification ("ASC") Topic 805, Business Combinations ("ASC 805"). Acquired assets and liabilities were recorded at their estimated acquisition date fair values. Acquisition related costs were expensed as incurred and were not material to our financial statements.

Fiscal 2023 Acquisitions

We acquired Asterias, a folding carton company in Poland, and Cartonajes Carrión, a specialty packaging operation in Spain, in the year ended December 31, 2023. Goodwill arising on these acquisitions was $21 million in total, of which $16 million is currently expected to be deductible for income tax purposes. Neither acquisition was considered to be sufficiently significant as to warrant separate disclosure of the net assets acquired.

During 2023, the Company recorded a measurement period adjustment to the fair values initially assigned to the PaperBox and Pusa Pack businesses acquired in 2022, resulting in a decrease in goodwill of $24 million and $1 million, respectively.

Fiscal 2022 Acquisitions

We completed the following acquisitions in the year ended December 31, 2022:

- On April 1, 2022, we acquired 100% of Argencraft, a corrugated facility in Argentina.
- On April 29, 2022, we acquired 100% of Atlas Packaging, a corrugated packaging company in the United Kingdom.
- On October 3, 2022, we acquired 100% of PaperBox, a packaging plant in Brazil.
- On October 31, 2022, we acquired 100% of Pusa Pack, a bag-in-box packaging plant in Spain.

The total aggregate purchase consideration for the 2022 acquisitions was $107 million, consisting of $99 million in cash and $8 million in deferred consideration. None of the business combinations completed during the year were considered material to warrant separate disclosure of the fair values attributable to those combinations.

The $93 million of cash outflows reflected in the Consolidated Statements of Cash Flows for the year ended December 31, 2022, relate to the total cash consideration, net of $6 million in cash acquired in 2022.

The total net assets acquired were $87 million. Acquisition related costs were expensed as incurred and were not material to our financial statements. The aggregate purchase price of these acquisitions reflects goodwill of $20 million, which is not expected to be deductible for income tax purposes. The goodwill is primarily composed of expected benefits related to expanding the Company's established and growing packaging business.

We additionally recorded gross intangible assets of $38 million as of December 31, 2022, which reflect estimates for definite-lived intangibles with an estimated weighted average useful life of approximately 9 years.

The operating results of the collective business have been included in our financial statements since the date of acquisitions and are not material to our financial condition, results of operations, or cash flows.

During 2022, the Company made a measurement period adjustment to the fair values assigned to the Verzuolo acquisition which was acquired in 2021, resulting in a decrease in goodwill of $36 million.

Fiscal 2021 Acquisitions

We completed the following acquisitions in the year ended December 31, 2021:

- On June 1, 2021, we acquired 100% of Cartones del Pacifico, a paper-based packaging company in Peru.
- On July 5, 2021, we acquired 100% of Cartonbox, a folding carton company in Mexico.
- On October 8, 2021, we acquired 100% of Verzuolo, a containerboard mill in Northern Italy.

The following table summarizes the consideration transferred and the preliminary purchase price allocation of the fair values of the identifiable net assets acquired in respect of the acquisition of Verzuolo completed during the year:

	2021
	Verzuolo
ASSETS	
Current assets	
Accounts receivable, net	$ 4
Inventories	16
Total current assets	**$ 20**
Non-current assets	
Property, plant and equipment, net	268
Other assets	2
Total non-current assets	**$ 270**
LIABILITIES	
Accounts payables	10
Non-current debt due after one year	1
Other non-current liabilities	4
Total liabilities	**$ 15**
Total identifiable net assets at fair value	275
Goodwill arising on acquisition	138
Total consideration	**$ 413**
Consideration settled by:	
Cash payments	$(413)
Total consideration	**$(413)**

The following table presents financial information regarding the 2021 acquisition of Verzuolo included in the Consolidated Statements of Operations from the date of acquisition through December 31, 2021 under the column "Actual from acquisitions date." The following table also presents supplemental pro-forma information as if the acquisition had occurred at the beginning of fiscal year 2021. The supplemental pro-forma financial information presented below was derived from historical financial records of the Company and Verzuolo and presents the operating results of the combined Company, with results prior to the acquisition date adjusted as if the acquisition had occurred on January 1, 2021.

The supplemental pro-forma financial information is not necessarily indicative of the consolidated results of operations that would have been realized had the acquisitions been completed as of January 1, 2021, nor is it meant to be indicative of future results of operations that the combined entity will experience:

	2021	
	Actual from Acquisition Date	**Supplemental Pro-Forma Financial Information**
Continuing Operations		
Revenue	$50	$12,173
Net income attributable to Smurfit Kappa Group plc	**$(6)**	**$793**

The total aggregate purchase consideration for the other 2021 acquisitions, excluding Verzuolo, was $69 million, composed entirely of cash. We performed a detailed quantitative and qualitative assessment of each acquisition to determine whether it is material for the purposes of separate disclosure under ASC 805. The acquisition of Verzuolo was deemed to be a significant acquisition. None of the remaining acquisitions completed during the financial year were considered significant to warrant separate disclosure of the identifiable net assets acquired.

The $480 million of cash outflows reflected in the Consolidated Statements of Cash Flows for the year ended December 31, 2021, relate to the total cash consideration, net of $2 million in cash acquired in 2021.

The total net assets acquired for all 2021 acquisitions, excluding Verzuolo, were $29 million. The aggregate purchase price of these acquisitions, excluding Verzuolo, reflects preliminary goodwill of $40 million, which was not deductible for income tax purposes. The goodwill is primarily composed of expected benefits related to expanding the Company's established and growing packaging business.

We additionally recorded preliminary gross intangible assets for the 2021 acquisitions, excluding Verzuolo, of $23 million as of December 31, 2021, which reflect estimates for definite-lived intangibles with a preliminary estimated weighted average useful life of approximately 8 years.

Acquisition related costs were expensed as incurred and were not material to our financial statements.

3. Segment Information

We have identified our operating segments based on the manner in which reports are reviewed by the Chief Operating Decision Maker ("CODM"). The CODM is determined to be the executive management team responsible for assessing performance, allocating resources and making strategic decisions. We have identified two operating segments (Europe and the Americas), which are also our reportable segments. No operating segments have been aggregated for disclosure purposes.

In the identification of the operating and reportable segments, we considered the level of integration of our different businesses as well as our objective to develop long-term customer relationships by providing customers with differentiated packaging solutions that enhance the customer's prospects of success in their end markets.

The Europe and the Americas segments are each highly integrated within the segment and there are many interdependencies within these operations. They include a system of mills and plants that primarily produce a full line of containerboard that is converted into corrugated containers within each segment. In addition, the Europe segment also produces types of paper, such as solid board, sack kraft paper, machine glazed and graphic paper, and other paper-based packaging, such as honeycomb, solid board packaging and folding cartons; and bag-in-box packaging (located in Europe, Argentina, Canada, Mexico and the U.S.). The Americas segment, which includes a number of Latin American countries and the U.S., also comprises forestry; types of paper, such as boxboard and sack paper; and paper-based packaging, such as folding cartons, honeycomb and paper sacks.

Segment profit is measured based on Adjusted EBITDA, defined as net income before taxes, interest expense net, depreciation, depletion and amortization, goodwill impairment, impairment of other assets, transaction-related expenses associated with the proposed Combination, restructuring costs, share-based compensation expense, pension expense (excluding current service cost) and other (expense) income, net.

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Inter-segment transactions are not material.

The accounting policies of the reportable segments are the same as those described in "Note 1. Description of Business and Summary of Significant Accounting Policies."

We have a presence in 36 countries worldwide. The table below reflects financial data of our foreign operations for each of the past three fiscal years:

	Years ended December 31,		
	2023	2022	2021
Net sales (unaffiliated customers):			
Ireland	$ 128	$ 124	$ 129
Germany	1,694	1,960	1,662
France	1,492	1,603	1,294
Mexico	1,343	1,365	1,174
Other Europe—Eurozone	3,452	3,992	3,634
Other Europe—non-Eurozone	2,359	2,704	2,525
Other Americas	1,625	1,761	1,515
Total	**$12,093**	**$13,509**	**$11,933**

	Years ended December 31,		
	2023	2022	2021
Non-current assets			
Ireland	$ 44	$ 41	$ 49
Netherlands	565	543	592
France	624	563	590
Germany	633	561	548
Mexico	625	497	395
Other Europe—Eurozone	1,294	1,225	1,236
Other Europe—non-Eurozone	1,274	1,122	1,171
Other Americas	1,106	789	708
Total	**$6,165**	**$5,341**	**$5,289**

Non-current assets include Operating lease right-of-use assets and Property, plant and equipment net and are disclosed based on their location.

Other than the countries shown above, no other individual country represents greater than 10% of Net sales or non-current assets.

Our Net sales are derived almost entirely from the sale of goods and is disclosed based on the location of production. No one customer represents greater than 10% of our net sales.

The following tables show selected financial data for our segments and the required reconciliations of segmental assets to the amounts reported in the Consolidated Balance Sheets:

	Years ended December 31,		
	2023	2022	2021
Net sales:			
Europe	$ 9,184	$10,432	$ 9,285
The Americas	2,909	3,077	2,648
Total	**$12,093**	**$13,509**	**$11,933**
Adjusted EBITDA:			
Europe	$ 1,653	$ 1,883	$ 1,478
The Americas	551	557	465
Total	**2,204**	**2,440**	**1,943**
Unallocated corporate costs	(76)	(50)	(50)
Depreciation, depletion and amortization	(580)	(564)	(554)
Goodwill impairment	—	(12)	—
Impairment of other assets*	(5)	(173)	—
Transaction-related expenses associated with the proposed Combination	(78)	—	—
Interest expense, net	(139)	(139)	(165)
Restructuring costs	(27)	(15)	—
Pension expense (excluding current service cost)	(49)	(8)	(23)
Share-based compensation expense	(66)	(68)	(82)
Other (expense) income, net	(46)	15	9
Income before income taxes	**$ 1,138**	**$ 1,426**	**$ 1,078**

* For the year ended December 31, 2023, Impairment of other assets is made up of impairment of non-current assets of $5 million (December 31, 2022: Impairment of other assets is made up of impairment of non-current assets of $14 million and impairment of the Russian operations of $159 million. See "Note 19. Disposal of Russian operations" for additional information on the impairment of the Russian operations).

Depreciation, depletion and amortization by reportable segment were:

	Years ended December 31,		
	2023	2022	2021
Depreciation, depletion and amortization:			
Europe	$(449)	$(428)	$(441)
The Americas	(129)	(135)	(111)
Corporate	(2)	(1)	(2)
Total	**$(580)**	**$(564)**	**$(554)**

Capital expenditures for the acquisition of long-lived assets by reportable segment were:

	Years ended December 31,		
	2023	2022	2021
Capital expenditures: **			
Europe	$ 772	$ 690	$1,019
The Americas	397	451	315
Corporate	1	1	—
Total	**$1,170**	**$1,142**	**$1,334**

	Years ended December 31,		
	2023	2022	2021
Other significant non-cash charges:* **			
Impairment of non-current assets			
Europe	$ (5)	$(55)	$—
The Americas	—	(14)	—
Total	**$ (5)**	**$(69)**	**$—**
Impairment of goodwill			
The Americas	$—	$(12)	$—
Total	**$—**	**$(12)**	**$—**

Total assets by segment were:

	Years ended December 31,		
	2023	2022	2021
Assets:			
Europe	9,672	9,586	9,681
The Americas	3,391	2,932	2,626
Corporate****	988	824	986
Total	**14,051**	**13,342**	**13,293**

** Segment capital expenditure comprises additions to Property, plant and equipment net, Operating lease right-of-use assets net, Finance lease right-of-use assets net, Goodwill, Intangible assets, net and includes additions resulting from acquisitions through business combinations.

*** Refer to Note 7. Property, Plant and Equipment and Note 8. Goodwill for more details.

**** Corporate assets are composed primarily of Pension assets, Property, plant and equipment net, Derivative financial instruments, Deferred tax assets, Income taxes refundable and Cash and cash equivalents.

4. Revenue Recognition

Disaggregated Revenue

ASC 606 requires that we disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The tables below disaggregate our revenue by product type. Revenue is derived almost entirely from the sale of goods and is disclosed based on the location of production.

The following tables summarize our disaggregated revenue by product type for the years ended December 31, 2023, 2022 and 2021:

	Years ended December 31,								
	Europe 2023	The Americas 2023	Total 2023	Europe 2022	The Americas 2022	Total 2022	Europe 2021	The Americas 2021	Total 2021
Revenue by product:									
Paper	$1,380	$ 159	$ 1,539	$ 1,925	$ 269	$ 2,194	$1,571	$ 249	$ 1,820
Packaging	7,804	2,750	10,554	8,507	2,808	11,315	7,714	2,399	10,113
Total	**$9,184**	**$2,909**	**$12,093**	**$10,432**	**$3,077**	**$13,509**	**$9,285**	**$2,648**	**$11,933**

Packaging revenue is derived mainly from the sale of corrugated products. The remainder of packaging revenue is composed of bag-in-box and other paper-based packaging products.

5. Accounts Receivable

	Years ended December 31,		
	2023	2022	2021
Current			
Accounts receivable-third parties	$1,976	$2,196	$2,167
Less: Sales bonuses and rebates allowances	(114)	(105)	(95)
Less: Allowance for credit losses	(56)	(55)	(50)
Accounts receivable	**$1,806**	**$2,036**	**$2,022**

The following table represents a summary of the changes in the reserve for allowance for sales bonuses and rebates for the years ended December 31, 2023, 2022 and 2021:

	2023	2022	2021
Balance at beginning of fiscal year	$(105)	$ (95)	$ (87)
Charges to net sales	194	213	194
Deductions	(203)	(223)	(202)
Balance at end of fiscal year	**$(114)**	**$(105)**	**$ (95)**

The following table represents a summary of the changes in the reserve for allowance for credit losses for the years ended December 31, 2023, 2022 and 2021:

	2023	2022	2021
Balance at beginning of fiscal year	$(55)	$(50)	$(65)
Charges to selling, general and administrative expenses	(2)	(16)	4
Write offs	1	11	11
Balance at end of fiscal year	**$(56)**	**$(55)**	**$(50)**

See “Note 10. Debt” for additional information on the receivables securitization facilities.

6. Inventories

	Years ended December 31,		
	2023	**2022**	**2021**
Inventories are as follows:			
Finished goods	$ 514	$ 588	$ 536
Work in process	52	61	53
Raw materials	348	434	357
Consumables and spare parts	289	271	266
Total inventories	**$1,203**	**$1,354**	**$1,212**

7. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	Years ended December 31,		
	2023	**2022**	**2021**
Property, plant and equipment at cost:			
Land and Buildings	$ 2,679	$ 2,355	$ 2,349
Forestlands	78	56	64
Plant and Equipment	8,860	7,984	8,137
Construction in progress	656	647	478
Finance lease right-of-use assets	32	31	35
Less: Accumulated depreciation, depletion and amortization	(6,514)	(6,071)	(6,142)
Property, plant and equipment, net	**$ 5,791**	**$ 5,002**	**$ 4,921**

Depreciation expense for the years ended December 31, 2023, 2022 and 2021 was $528 million, $512 million and $506 million, respectively.

We have tested the carrying value of the non-current assets for impairment as of the reporting date and recorded an impairment charge of $5 million in the Europe segment (2022: $55 million, 2021: no impairment) and no impairment in the Americas segment (2022: $14 million, 2021: no impairment).

8. Goodwill

The changes in the carrying amount of goodwill for the year ended December 31, 2023, 2022 and 2021 are as follows:

	Europe	The Americas	Total
Balance as of December 31, 2020			
Goodwill	$2,822	$376	$3,198
Accumulated impairment losses	(233)	(40)	(273)
	$2,589	**$336**	**$2,925**
Acquisitions	138	40	178
Disposals	(16)	—	(16)
Translation adjustment	(191)	(16)	(207)
Balance as of December 31, 2021			
Goodwill	2,735	397	3,132
Accumulated impairment losses	(215)	(37)	(252)
	$2,520	**$360**	**$2,880**
Acquisitions	(23)	43	20
Impairments	—	(12)	(12)
Translation adjustment	(162)	(4)	(166)
Balance as of December 31, 2022			
Goodwill	2,537	439	2,976
Accumulated impairment losses	(202)	(52)	(254)
	$2,335	**$387**	**$2,722**
Acquisitions	20	(24)	(4)
Translation adjustment	89	35	124
Balance as of December 31, 2023			
Goodwill	2,653	453	3,106
Accumulated impairment losses	(209)	(55)	(264)
	$2,444	**$398**	**$2,842**

Further information on acquisitions is included in Note 2.

The Company performed a quantitative impairment test as of December 31, 2023 and concluded goodwill was not impaired for any of its reporting units.

In 2022, management reassessed the expected future business performance in Peru as a result of the continued difficult economic conditions and projected cash flows that were lower than expected, giving rise to an impairment charge of $12 million in Peru.

Refer to the "Goodwill and Non-current Assets" accounting policy for additional details on the method used in determining fair value.

9. Other Intangible Assets

The gross carrying amount and accumulated amortization relating to intangible assets, excluding goodwill, are as follows and reflect the removal of fully amortized intangible assets in the period fully amortized (in $ millions, except weighted average life):

	Years ended December 31,						
	2023			2022		2021	
	Weighted Average Life (in years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Marketing-related	6	$ 30	$ (25)	$ 28	$ (19)	$ 29	$ (18)
Customer-related	13	397	(261)	376	(232)	349	(206)
Software assets	6	293	(216)	270	(192)	272	(187)
Total		**$720**	**$(502)**	**$674**	**$(443)**	**$650**	**$(411)**

Intangible asset amortization expense was $52 million, $52 million and $48 million during the years ended December 31, 2023, 2022 and 2021, respectively. These intangible assets are amortized based on the expected pattern in which the economic benefits are consumed or straight-line if the pattern was not reliably determinable. The useful lives of intangible assets other than goodwill are finite and range from two to twenty years. Amortization is recognized as an expense within Cost of goods sold and Selling, general and administrative expenses in the Consolidated Statements of Operations.

Estimated other intangible asset amortization expense for the succeeding five years is as follows:

Year ending December 31, 2024	$37
Year ending December 31, 2025	32
Year ending December 31, 2026	25
Year ending December 31, 2027	18
Year ending December 31, 2028	11

10. Debt

The following were individual components of debt (in $ millions, except percentages):

	Years ended December 31,					
	2023		2022		2021	
	Carrying value	Weighted average interest rate	Carrying value	Weighted average interest rate	Carrying value	Weighted average interest rate
Revolving credit facility due 2026	$ 4	4.6%	$ 8	5.0%	$ 8	0.8%
€100 million receivables securitization variable funding notes due 2026	6	4.9%	6	2.7%	6	0.5%
€230 million receivables securitization variable funding notes due 2026	14	5.0%	13	2.6%	14	0.2%
$292.3 million senior debentures due 2025	294	7.5%	294	7.5%	294	7.5%
€250 million senior notes due 2025	279	2.8%	270	2.8%	286	2.8%
€1,000 million senior notes due 2026	1,121	2.9%	1,082	2.9%	1,150	2.9%
€750 million senior notes due 2027	832	1.5%	803	1.5%	853	1.5%
€500 million senior green notes due 2029	553	0.5%	534	0.5%	566	0.5%
€500 million senior green notes due 2033	553	1.0%	534	1.0%	567	1.0%
Bank loans	68	10.2%	99	11.9%	83	6.5%
Finance lease obligations	29	3.6%	31	3.3%	36	3.3%
Bank overdrafts	16	1.5%	18	0.6%	33	11.0%
Total debt	**$3,769**		**$3,692**		**$3,896**	
Less: Current portion of debt	(78)		(96)		(88)	
Debt issuance costs	(22)		(28)		(38)	
Non-current debt due after one year	**$3,669**		**$3,568**		**$3,770**	

The weighted average interest rate for short term debt was 7.2%, 9.0% and 12.9% as of December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023, the aggregate maturities of debt, excluding finance lease obligations, for succeeding five years and thereafter are as follows:

Year ended December 31, 2024	$ 140
Year ended December 31, 2025	670
Year ended December 31, 2026	1,170
Year ended December 31, 2027	850
Year ended December 31, 2028	8
Year ended December 31, 2029 and thereafter	1,137
Total	**$3,975**

Maturity profile of undrawn committed facilities	2023	2022	2021
Within one year	$ —	$ —	$ —
Between one and two years	—	—	—
More than two years	$ 1,832	$ 1,765	$ 1,874

As of December 31, 2023, 2022 and 2021, we had undrawn commitments of $1,832 million, $1,765 million and $1,874 million, respectively. These undrawn commitments primarily pertain to the revolving credit facility and the receivable securitization facilities, which are further explained below.

The commitment fee on the revolving credit facility and receivables securitization facilities were immaterial for the years ended December 31, 2023, 2022 and 2021.

Our borrowing agreements contain certain covenants that restrict our flexibility in certain areas such as incurrence of additional indebtedness and the incurrence of liens. Our borrowing agreements also contain financial covenants, the primary ones being a maximum net borrowings to covenant EBITDA (as defined in the relevant debt facility agreement) of 3.75 times and a minimum covenant EBITDA to net interest of 3.00 times. We were in compliance with all covenants as of the reporting dates. At December 31, 2023, as defined in the relevant facility agreement, adjusted net borrowings to covenant EBITDA was 1.4 times (2022: 1.3 times, 2021: 1.7 times) and covenant EBITDA to net interest was 15.6 times (2022: 17.4 times, 2021: 15.3 times).

During the years ended December 31, 2023, 2022 and 2021, amortization of debt issuance costs charged to interest expense were $7 million, $7 million and $13 million, respectively.

Revolving Credit Facility ("RCF")

The RCF has a facility size of €1,350 million and matures in January 2026. Loans under the RCF will bear an interest rate at interbank rate + 0.6% for December 31, 2023, 2022 and 2021. Borrowings under the RCF are available to fund our working capital requirements, capital expenditure and other general requirements.

Senior Notes Issued:

Senior notes are non-convertible fixed rate debt instruments with defined maturities. In September 2022, we published our first Green Bond Allocation and Impact Report, detailing the use of the proceeds of the €1 billion dual-tranche Green Bonds issued in 2021. Issued with coupons of 0.5% and 1.0% respectively, for tenors of 8 and 12 years, these coupons are the lowest in our history but also the lowest achieved for a corporate issuer in our rating category. In September 2021, the Company redeemed €500 million 2.4% senior notes due in 2024.

The net proceeds from the Green Bonds are used to finance or refinance a portfolio of eligible assets and expenditures ('Eligible Green Projects') in accordance with the Group's Green Finance Framework. The Framework received an independent second party opinion from ISS ESG in line with the Green Bond and Green Loan Principles.

Bank Loans:

Property, plant and equipment with a carrying value of $3 million (2022: $12 million, 2021: $13 million) are pledged as security for loans held by the Company.

Net Investment Hedge:

The Company designates a portion of its foreign currency borrowings to hedge the net investment in certain of its foreign entities. The carrying amount of borrowings which are designated as net investment hedges at the year-end amounted to $49 million as of December 31, 2023, 2022 and 2021. The gains or losses of the effective portion of such borrowings are recognized in other comprehensive income. Ineffective portions of the gains and losses of such borrowings are recognized in the Consolidated Statements of Operations. There has been no ineffectiveness recognized in relation to these hedges in the current or prior financial years.

Receivables Securitization Facilities:

We have two trade receivables securitization programs. The first program has a facility size of €100 million, a margin of 1.1%, and matures in January 2026. This program is supported by receivables generated by our operating companies in Austria, Belgium, Italy, and the Netherlands, which are sold to a special purpose Group subsidiary. The funding for this program is provided by a conduit of Coöperatieve Rabobank U.A. (trading as Rabobank) and a conduit of Landesbank Hessen-Thüringen Girozentrale (trading as Helaba Bank), providing €77 million and €23 million, respectively.

The second program has a facility size of €230 million, a margin of 1.1%, and matures in November 2026. This program is supported by receivables generated by our operating companies in the UK, Germany, and

France, which are sold to a special purpose entity. The funding for this program is provided by Lloyds Banking Group.

The sale of the securitized receivables under our securitization programs does not meet the requirements for derecognition under ASC 860 "Transfers and Servicing". As a result, the sold receivables continue to be shown on the face of the Consolidated Balance Sheets, and the notes issued to fund the purchase of these receivables are shown as secured borrowings with attributable interest expense recognized over the life of the related transactions.

As of December 31, 2023, the gross amount of receivables collateralizing the €100 million 2026 trade receivables securitization programs were €327 million (December 31, 2022: €399 million, December 31, 2021: €335 million). The gross amount of receivables collateralizing the €230 million 2026 trade receivables securitization program at December 31, 2023 was €415 million (December 31, 2022: €492 million, December 31, 2021: €430 million). In accordance with the contractual terms, the counterparty has recourse to the securitized debtors. Given the short-term nature of the securitized debtors and the variable floating rates, the carrying amount of the securitized debtors and the associated liabilities reported on the Consolidated Balance Sheets is estimated to approximate fair value. At December 31, 2023, the restricted cash related to these facilities are deemed immaterial for all periods presented.

Bridge Facility Agreement:

In connection with the proposed WestRock Combination, the Company entered into a bridge facility agreement in the amount of $1,500 million which is available to finance, (directly or indirectly) the cash consideration and/or fees, commissions, costs and expenses payable in relation to the proposed WestRock Combination. This bridge facility, which was undrawn on December 31, 2023, is in addition to the Company's existing committed facilities at year-end. The bridge facility agreement matures in December 2024, however it may be extended by written notice for a further 12 months at the Company's sole discretion.

11. Leases

Components of Lease Costs

The following table presents certain information related to the lease costs for finance and operating leases:

	Years ended December 31,		
	2023	**2022**	**2021**
Operating lease costs	$(118)	$(107)	$(112)
Variable and short-term lease costs	(47)	(40)	(33)
Finance lease cost:			
Amortization of lease assets	(3)	(3)	(3)
Interest on lease liabilities	(1)	(1)	(1)
Lease cost, net	**$(169)**	**$(151)**	**$(149)**

Supplemental Consolidated Balance Sheets Information Related to Leases

The table below presents the lease-related assets and liabilities recorded on the Consolidated Balance Sheets:

	Consolidated Balance Sheets Caption	Years ended December 31, 2023	2022	2021
Operating leases:				
Operating lease right-of-use assets	Operating lease right-of-use assets	$374	$339	$368
Current operating lease liabilities	Current operating lease liabilities	113	89	95
Non-current operating lease liabilities	Non-current operating lease liabilities	269	255	285
Total operating lease liabilities		**$382**	**$344**	**$380**
Finance leases:				
Property, Plant and Equipment		32	31	35
Accumulated depreciation	Property, plant and equipment, net	(6)	(3)	(3)
Property, Plant and Equipment, net		**$ 26**	**$ 28**	**$ 32**
Current finance lease liabilities	Current portion of debt	3	3	4
Non-current finance lease liabilities	Non-current debt due after one year	26	28	32
Total finance lease liabilities		**$ 29**	**$ 31**	**$ 36**

Lease term and Discount Rate	Years ended December 31, 2023	2022	2021
Weighted average remaining lease term			
Operating leases	7.5 years	7.4 years	7.9 years
Finance leases	12.7 years	13.2 years	13.9 years
Weighted average discount rate			
Operating leases	3.6%	2.9%	2.8%
Finance leases	3.6%	3.3%	3.3%

Supplemental Cash Flow Information Related to Leases

The following table presents supplemental cash flow information related to leases:

	Years ended December 31, 2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows related to operating leases	$118	$107	$112
Operating cash flows related to finance leases	1	1	1
Financing cash flows related to finance leases	3	3	3
Leased assets obtained in exchange for lease liabilities:			
Operating leases	$133	$111	$104
Finance leases	$ —	$ —	$ —

Maturity of Lease Liabilities

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the operating lease liabilities and finance lease liabilities recorded on the Consolidated Balance Sheets at December 31, 2023:

	Operating leases	Finance leases	Total
Year ending December 31, 2024	$110	$ 4	$114
Year ending December 31, 2025	81	4	85
Year ending December 31, 2026	67	3	70
Year ending December 31, 2027	48	3	51
Year ending December 31, 2028	30	3	33
Thereafter	90	20	110
Total lease payments	**$426**	**$37**	**$463**
Less: Interest	(44)	(8)	(52)
Present value of future lease payments	**$382**	**$29**	**$411**

12. Interest

The components of interest expense, net is as follows:

	Years ended December 31,		
	2023	2022	2021
Interest expense	$(170)	$(148)	$(168)
Interest income	31	9	3
Interest expense, net[(1)]	**$(139)**	**$(139)**	**$(165)**

(1) Total cash paid for interest, net of interest received was $146 million, $129 million and $158 million during the years ended December 31, 2023, 2022 and 2021, respectively. Of this, capitalized interest paid was $10 million, $3 million and $2 million during the years ended December 31, 2023, 2022 and 2021, respectively.

13. Derivative Financial Instruments

The following tables provides the carrying value and location of derivative instruments in the Consolidated Balance Sheets:

		Years ended December 31,		
	Balance Sheets Location	**2023**	**2022**	**2021**
Assets				
Derivatives in cash flow hedging relationships		$ 5	$ 2	$ —
Derivatives not designated as hedging instruments		14	47	8
Total current derivative contracts	Other current assets	19	49	
Total non-current derivative contracts	Other non-current assets	—	2	3
Total derivative asset contracts		**$ 19**	**$ 51**	**$ 11**
Liabilities				
Derivatives in cash flow hedging relationships		$ (7)	$ (6)	$ (1)
Derivatives not designated as hedging instruments		(12)	(17)	(14)
Total current derivative contracts	Other current liabilities	**(19)**	**(23)**	**(15)**
Total non-current derivative contracts	Other non-current liabilities	**(1)**	**(4)**	**(8)**
Total derivative liabilities contracts		**$(20)**	**$(27)**	**$(23)**

Derivative gains (losses) recognized in or reclassified from AOCI to Other (expense) income, net, and Income are determined to be immaterial to the financial statements.

The following table summarizes our notional amounts:

	2023	**2022**	**2021**
Derivatives designated as hedging instruments:			
Foreign currency forwards	$ 139	$ 185	$ 180
Cross currency swaps	158	154	163
Energy hedging contract	4	7	4
Derivatives not designated as hedging instruments:			
Foreign currency forwards	125	176	212
Cross currency swaps	1,039	1,475	1,060
Energy hedging contracts	2	4	8

14. Fair Value Measurement

The fair values of the Company's financial assets and financial liabilities listed below reflect the amounts that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date (exit price).

The Company's non-derivative financial instruments primarily include cash and cash equivalents, trade and other receivables, trade and other payables, short-term debt and non-current debt, all of whose carrying values approximates fair value (with the exception of non-current debt with fixed interest rates). Fair value disclosures are classified based on the fair value hierarchy. See Note 1. "Description of Business and Summary of Significant Accounting Policies," for information about the Company's fair value hierarchy.

The carrying values, net of deferred debt issuance costs, and estimated fair values of non-current debt with fixed interest rates were as follows:

Fair Value Measurement	2023		2022		2021	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
	Level 2		Level 2		Level 2	
Non-current debt with fixed interest rates	$3,615	$3,379	$3,495	$3,125	$3,688	$3,914

The fair value of the Company's non-current debt with fixed interest rates is based on market prices. With the exception of financial instruments included in the table above, the carrying amounts of all other debt instruments approximate their fair values. The fair value of the revolving credit facility is based on the present value of its estimated future cash flows discounted at an appropriate market discount rate at the balance sheet date. The variable nature and repricing dates of the receivables securitization facilities result in a carrying value approximating its fair value. Both the revolving credit facility and the receivables securitization facilities are classified as Level 2 of the fair value hierarchy.

Assets and liabilities measured and recorded at fair value on a recurring basis

The Company measures and records certain assets and liabilities, including derivative instruments at fair value. The following table summarizes the fair value of these instruments, which are measured at fair value on a recurring basis, by level, within the fair value hierarchy:

	Level 1			Level 2			Level 3		
	Years ended December 31,			Years ended December 31,			Years ended December 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Assets									
Other Investments:									
Listed	$ 2	$ 2	$ 2	$ —	$ —	$ —	$—	$—	$—
Unlisted	—	—	—	9	8	10	—	—	—
Derivatives in cash flow hedging relationships	—	—	—	5	2	—	—	—	—
Derivatives not designated as hedging instruments	—	—	—	14	49	11	—	—	—
Assets measured at fair value	**$ 2**	**$ 2**	**$ 2**	**$ 28**	**$ 59**	**$ 21**	**$—**	**$—**	**$—**
Liabilities									
Derivatives in cash flow hedging relationships	—	—	—	(8)	(7)	(9)	—	—	—
Derivatives not designated as hedging instruments	—	—	—	(12)	(20)	(14)	—	—	—
Liabilities measured at fair value	**$—**	**$—**	**$—**	**$(20)**	**$(27)**	**$(23)**	**$—**	**$—**	**$—**

The fair value of listed financial assets is determined by reference to their bid price at the reporting date. Unlisted financial assets are valued using recognized valuation techniques for the underlying security including discounted cash flows and similar unlisted equity valuation models.

The fair value of foreign currency forwards, cross currency swaps and energy hedging contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Assets and liabilities measured and recorded at fair value on a nonrecurring basis

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records certain assets at fair value on a nonrecurring basis, generally when events or changes in circumstances indicate the carrying value may not be recoverable, or when they are deemed to be other than temporarily impaired. These assets include goodwill and other intangible assets, assets and disposal groups held for sale, and other non-current assets. The fair values of these assets are determined, when applicable, based on valuation techniques using the best information available, and may include quoted market prices, market comparables, and discounted cash flow projections. These nonrecurring fair value measurements are considered to be Level 3 in the fair value hierarchy.

As further detailed in Note 8, Goodwill, in 2022, impairment charges were recorded for our Peru business, leading to the write-down of goodwill to fair value. There was no goodwill related to this business in the years ended December 31, 2023 and 2022. The carrying amount of goodwill related to this business was $11 million as of December 31, 2021.

In addition, impairment losses on non-current assets were recorded, resulting in a write-down to fair value less costs to sell. In March 2023, we successfully concluded the sale of our Russian business, leading to the derecognition of the assets and liabilities classified as held for sale as of December 31, 2022. The classification of the business as held for sale met the required criteria as of December 31, 2022, which resulted in the remeasurement of the disposal group at its fair value less cost to sell as of that date. As of December 31, 2023 and 2022, the fair value of these assets was determined to be zero.

Refer to Note 19 for more detailed information regarding the disposal of the Russian business and the derecognition of assets and liabilities.

The fair values of assets and liabilities assumed as a result of business combinations completed during the years ended December 31, 2023 and 2022 have been evaluated and determined to be immaterial for separate disclosure purposes. The fair values of assets and liabilities assumed as a result of business combinations completed during the year ended December 31, 2021, are disclosed in Note 2.

15. Stockholders' Equity

Common Stock

Subject to the articles of association of the Company, the holders of common stock are entitled to share in any dividends in proportion to the number of shares held by them and are entitled to one vote for every share held by them.

Convertible Stock

The holders of convertible stock have no right to participate in the profits of the Company and are not entitled to vote. On return of capital (whether on repayment of capital, liquidation or otherwise) the assets and/or capital legally available to be distributed shall, subject first to the rights of the holders of common stock, be distributed amongst the holders of convertible stock, in proportion to the number of convertible shares held by them, of the nominal value of their convertible share. At December 31, 2020, all exercisable convertible stock had lapsed and is no longer convertible into common stock.

Treasury Stock

This represents common stock acquired by the Smurfit Kappa Employee Trust under the terms of the Deferred Bonus Plan. For the avoidance of doubt, 'treasury stock' shall not be construed to have the same meaning as treasury shares under section 109 of the Irish Companies Act 2014, as amended.

16. Share-based Compensation

Share-based compensation expense relates primarily to awards granted under the Deferred Bonus Plan ("DBP") and the Performance Share Plan ("PSP"). Share-based compensation expense is recognized in the Consolidated Statements of Operations

	2023	**2022**	**2021**
Deferred Bonus Plan expense	$29	$24	$25
Performance Share Plan expense	35	42	51
Total share-based compensation expense	**$64**	**$66**	**$76**
Income tax benefit related to share-based compensation expense	$—	$ 3	$ 3

Social charges relating to equity settled share based payments for the years ended December 31, 2023, 2022 and 2021 were $2 million, $2 million and $6 million, respectively.

Deferred Bonus Plan

At our Annual General Meeting held in May 2018, our stockholders approved the adoption of the DBP which replaced the deferred element of the existing long-term incentive plan, the Deferred Annual Bonus Plan ("DABP"). The DBP authorizes the granting of conditional awards. The number of shares awarded under the DBP during the years ended December 31, 2023, 2022 and 2021 were 764,182, 571,693 and 528,447, respectively.

Participants may be granted an award of up to 150% of salary (other than a recruitment award). The actual bonus earned in any financial year is based on the achievement of clearly defined stretching annual financial targets for some of our Key Performance Indicators ("KPIs"). For 2023, these were Earnings before Interest and Tax ("EBIT"), Free Cash Flow ("FCF"), together with targets for Health and Safety, People and ESG and personal/strategic targets for the executive Directors.

The structure of the plan is that 50% of any annual bonus earned for a financial year will be deferred into Smurfit Kappa Group plc shares ("Deferred Shares") to be granted in the form of a Deferred Share Award.

The Deferred Shares will vest (i.e. become unconditional) after a three-year holding period based on a service condition of continuity of employment, or in certain circumstances, based on normal good leaver provisions.

Deferred Share Awards were granted in 2023 to eligible employees in respect of the financial year ended December 31, 2022. The total DBP expense for the year comprises an expense pertaining to the Deferred Share Awards granted in respect of 2020, 2021, 2022 and 2023.

Details of shares granted under the Deferred Bonus Plan:

	2023	
	Number of shares	Weighted average grant date fair value
Outstanding at beginning of year	1,582,192	$46.68
Granted	764,182	38.88
Vested	(483,801)	36.98
Outstanding at end of year	**1,862,573**	**46.00**

The grant date fair value of the awards is equivalent to the closing price of the Company shares at the date the award was granted.

The weighted average grant date fair value for awards granted in the year ended December 31, 2022 and 2021 was $53.09 and $48.68, respectively.

During the years ended December 31, 2023, 2022 and 2021, 483,801, 929,542 and 9,851 shares vested having a fair value of $18 million, $49 million, and $1 million, respectively. As of December 31, 2023, unrecognized compensation expense related to the awards was $30 million, which will be recognized over the remaining weighted average vesting period of 1.7 years.

Performance Share Plan

At our Annual General Meeting held in May 2018, our stockholders approved the adoption of the PSP, which replaced the existing long-term incentive plan, the matching element of the DABP. The PSP authorizes the granting of conditional awards or nil-cost options (right to acquire shares during an exercise period without cost to the participant). The number of shares awarded under the PSP during the years ended December 31, 2023, 2022 and 2021 was 2,003,416, 1,554,551 and 1,230,417, respectively.

Participants may be granted an award of up to 250% of salary (other than a recruitment award). Awards may vest after a three-year performance period to the extent to which the performance conditions have been met. Awards may also be subject to an additional holding period following vesting (of up to two years). At the end of the relevant holding period, the PSP awards will be released (i.e. become unconditional) to the participant.

The performance targets assigned to the PSP awards are set by the Remuneration Committee on the granting of awards at the start of each three-year cycle.

The actual number of shares that will vest under the PSP is dependent on the performance conditions of the Company's Earnings per share ("EPS"), Return on Capital Employed ("ROCE"), Total Shareholder Return ("TSR") (relative to a peer group) and Sustainability targets measured over a three-year performance period. PSP performance conditions will be reviewed at the end of the three-year performance period and the PSP shares awarded will vest depending upon the extent to which these performance conditions have been satisfied.

The total PSP expense for the year comprises of an expense pertaining to the awards granted in respect of 2021, 2022 and 2023.

	2023	
	Number of shares	**Weighted average grant date fair value**
Outstanding at beginning of year	4,284,503	$39.94
Granted	2,003,416	35.26
Forfeited	(151,768)	39.80
Vested	(1,322,030)	29.12
Lapsed	(438,359)	29.12
Outstanding at end of year	**4,375,762**	**42.16**

The weighted average grant date fair value for awards granted in the year ended December 31, 2022 and 2021 was $45.43 and $47.85.

The fair values assigned to the EPS, ROCE and Sustainability components of the PSP are equivalent to the closing price of the Company shares on the trading day prior to the grant date.

The fair value assigned to the portion of awards which are subject to TSR performance was calculated as of the grant date, using the Monte Carlo simulation model taking account of peer group TSR and volatilities together with the following assumptions:

	2023	**2022**	**2021**
Risk-free interest rate (%)	3.2%	0.7%	(0.5)%
Expected volatility (%)	27.7%	31.5%	19.1%

The expected volatility rate applied was based upon our historical and implied share price volatility levels. Historical volatility was calculated over a period equal to the expected term. The risk-free interest rate is based on the yield at the date of grant of swap rate curves with a maturity period equal to the expected term.

During the years ended December 31, 2023, 2022 and 2021, 1,322,030, 1,178,642 and 1,054,062 shares vested having a fair value of $50 million, $62 million and $51 million, respectively.

As of December 31, 2023, unrecognized compensation expense related to the PSP awards was $29 million which will be recognized over the remaining weighted average vesting period of 1.6 years.

Treasury Stock

Smurfit Kappa Employee Trust, on behalf of the Company, expects to repurchase 652,054 shares in 2024 in respect of deferred share awards.

17. Income Taxes

The components of income before income taxes are as follows:

	2023	2022	2021
Income before income taxes			
Domestic (Ireland)	$ 173	$ 235	$ 180
Foreign	965	1,191	898
Total income before income taxes	**$1,138**	**$1,426**	**$1,078**
Income tax expense consists of the following components:			
Current tax expense:			
Domestic (Ireland)	44	33	33
Foreign	296	317	265
Total current tax expense	**$ 340**	**$ 350**	**$ 298**
Deferred tax expense (benefit):			
Domestic (Ireland)	2	—	—
Foreign	(30)	41	(22)
Total deferred tax (benefit) expense	**$ (28)**	**$ 41**	**$ (22)**
Total income tax expense reported in the Consolidated Statements of Operations	**$ 312**	**$ 391**	**$ 276**

The differences between income tax expense and the amount computed by applying the Republic of Ireland statutory trading income tax rate, (the primary rate of our country of domicile) to income before income taxes are as follows:

	2023	2022	2021
Income before income taxes	$1,138	$1,426	$1,078
Income before income taxes multiplied by the statutory income tax rate of 12.5% (2022: 12.5%, 2021: 12.5%)	142	178	135
Effects of:			
Income subject to different rates of tax	171	197	153
Change related to outside basis difference in foreign subsidiaries	8	17	11
Change in valuation allowance	(1)	32	(7)
Other items	(8)	(33)	(16)
Reported income tax expense	**$ 312**	**$ 391**	**$ 276**

The tax effects of temporary differences and carryforwards that give rise to deferred tax assets and liabilities consist of the following:

	Years ended December 31,		
	2023	**2022**	**2021**
Deferred tax assets:			
Postretirement benefit	$ 78	$ 77	$ 65
Carryforwards	126	118	142
Lease liabilities	50	40	48
Accrued expenses	97	86	83
Other	71	25	71
Total	**$ 422**	**$ 346**	**$ 409**
Deferred tax liabilities:			
Property, plant and equipment	313	284	327
Outside basis differences in foreign subsidiaries	126	100	89
Other	56	39	46
Total	**$ 495**	**$ 423**	**$ 462**
Valuation allowances	(67)	(68)	(60)
Net deferred tax liability	**$(140)**	**$(145)**	**$(113)**

At December 31, 2023, we had net operating loss carryforwards of approximately $446 million. Of these net operating losses, $122 million expire between 2024 and 2043 and $324 million of losses carryforward indefinitely.

At December 31, 2023, we also had other carryforwards of $13 million of tax credit carryforwards with an indefinite life.

The following table represents a summary of the change in the valuation allowances against deferred tax assets for each year:

	2023	**2022**	**2021**
Balance at beginning of the year	$ 68	$ 60	$67
Increases through continuing operations	9	38	2
Reductions through continuing operations	(10)	(6)	(9)
Net change in the valuation allowance through continuing operations	(1)	32	(7)
Reclassifications related to the disposal of Russian operations	—	(24)	—
Net change in the valuation allowance	(1)	8	(7)
Balance at end of the year	**$ 67**	**$ 68**	**$60**

We consider a portion of earnings from certain foreign subsidiaries as subject to repatriation and have recognized deferred taxes accordingly. However, we consider that all other outside basis differences from all other foreign subsidiaries to be indefinitely reinvested. Accordingly, we have not provided for any deferred taxes for amounts that would be due upon recovery of those investments.

As of December 31, 2023, we estimate our unremitted earnings of foreign subsidiaries that are considered indefinitely reinvested to be approximately $467 million. In the event of a distribution in the form of dividends or dispositions of the subsidiaries, we may be subject to incremental foreign tax, subject to an adjustment for foreign tax credits, and withholding taxes or income taxes payable to the foreign jurisdictions. As of December 31, 2023, the determination of the amount of unrecognized deferred tax liability related to investments in foreign subsidiaries that are indefinitely reinvested is not practicable.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years presented is as follows:

	2023	2022	2021
Balance at the beginning of the year	$40	$23	$23
Additions for tax positions taken in current year	12	25	8
Reductions for tax positions taken in prior years	(1)	(2)	(3)
Reductions due to settlements	—	(1)	—
Reductions as a result of a lapse of the applicable statute of limitations	(1)	(5)	(5)
Balance at the end of the year	**$50**	**$40**	**$23**

As of December 31, 2023, 2022 and 2021, the total amount of unrecognized tax benefits was approximately $50 million, $40 million and $23 million respectively, exclusive of interest and penalties. Of these balances, as of December 31, 2023, 2022 and 2021 if all unrecognized tax benefits recorded were to prevail, approximately $46 million, $34 million and $23 million respectively, would benefit the effective tax rate.

We recognized interest accrued related to income taxes in interest expense amounting to $1 million, $—million and $—million in the years ended December 31, 2023, 2022 and 2021, respectively; no penalties were recorded during the period. As of December 31, 2023, 2022 and 2021, we have liabilities of $2 million, $1 million and $—million, respectively, related to estimated interest for income taxes.

We file tax returns in Ireland and foreign jurisdictions. With limited exceptions, we are no longer subject to income tax examinations by tax authorities for years prior to 2016.

18. Retirement Plans

We operate both defined benefit and defined contribution pension plans throughout our operations in accordance with local conditions and practice. The disclosures included below relate to all pension schemes and other post-employment benefits in the Company. These plans have broadly similar regulatory frameworks. The majority of plans are of the defined benefit type and are funded by payments to separately administered funds. In these defined benefit plans, the level of benefits available to members depends on length of service and their average salary over their period of employment or their salary in the final years leading up to retirement or leaving. While the majority of the defined benefit plans are funded, in certain countries, such as Germany, Austria and France, plan liabilities are for the most part unfunded and recognized as liabilities in the Consolidated Balance Sheets.

In accordance with statutory and minimum funding requirements, additional annual contributions may be required to be made to the schemes in place in Ireland, the United Kingdom and the Netherlands. The funding requirements are agreed between the Company, the trustees and the relevant regulator.

The expense for defined contribution pension plans for the years ended December 31, 2023, 2022 and 2021 was $79 million, $75 million and $78 million, respectively.

The following table shows the changes in benefit obligation, plan assets and funded status for the years ended December 31:

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Change in projected benefit obligation:						
Benefit obligation at beginning of year	$2,127	$3,118	$3,583	$119	$146	$157
Service cost	18	26	28	7	8	9
Interest cost	87	42	31	6	3	2
Plan amendments	3	—	—	2	(1)	—
Actuarial losses (gains)	98	(727)	(78)	9	(20)	(7)
Benefits paid	(99)	(105)	(99)	(8)	(8)	(7)
Plan participant contributions	6	6	6	—	—	—
Settlements	(15)	(3)	(173)	(4)	(3)	(4)
Divestitures	—	—	—	—	—	(1)
Acquisitions	—	—	—	—	—	5
Other Items	—	—	2	1	—	3
Foreign currency rate changes	94	(230)	(182)	7	(6)	(11)
Benefit obligation at end of year	**$2,319**	**$2,127**	**$3,118**	**$139**	**$119**	**$146**

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Change in plan assets:						
Fair value of plan assets at beginning of year	$1,692	$2,553	$2,704	$ 24	$ 25	$ 25
Actual gain (loss) on plan assets	130	(664)	148	1	—	1
Employer contributions	102	94	98	11	9	10
Plan participant contributions	6	6	6	—	—	—
Benefits paid	(99)	(105)	(99)	(8)	(8)	(7)
Settlements	(15)	(3)	(173)	(4)	(3)	(4)
Foreign currency rate changes	76	(189)	(131)	3	1	—
Fair value of plan assets at end of year	$1,892	$1,692	$2,553	$ 27	$ 24	$ 25
Funded status	$ (427)	$ (435)	$ (565)	$(112)	$(95)	$(121)

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Amounts recognized in the Consolidated Balance Sheets:						
Non-current assets	$ 28	$ 19	$ 41	$ 1	$ 2	$ 4
Current liabilities	(24)	(22)	(24)	(7)	(6)	(5)
Non-current liabilities	(431)	(432)	(582)	(106)	(91)	(120)
Funded status at end of year	**$ (427)**	**$ (435)**	**$ (565)**	**$(112)**	**$(95)**	**$(121)**
Accumulated Benefit Obligation (ABO)	$2,304	$2,113	$3,099	$ —	$ —	$ —

Accumulated other comprehensive loss at December 31 not yet recognized as components of net periodic benefit cost consist of:

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Net actuarial losses	$751	$706	$799	$11	$ 2	$23
Prior service (credit) cost	(8)	(12)	(14)	2	—	1
Total accumulated other comprehensive loss	**$743**	**$694**	**$785**	**$13**	**$ 2**	**$24**

The following table sets forth the Pension plans and Other Postretirement Benefit plans for which their accumulated benefit obligation ("ABO") or projected benefit obligation ("PBO") exceeds the fair value of their respective plan assets on December 31.

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Pension plans with projected benefit obligations in excess of plan assets:						
Projected benefit obligation	$1,310	$1,217	$2,343	$ —	$—	$ —
Accumulated benefit obligation	1,305	1,213	2,325	—	—	—
Fair value of plan assets	855	764	1,737	—	—	—
Pension plans with accumulated benefit obligations in excess of plan assets:						
Accumulated benefit obligation	1,305	1,212	1,320	—	—	—
Fair value of plan assets	855	763	724	—	—	—
Plans with accumulated postretirement benefit obligations in excess of plan assets:						
Accumulated postretirement benefit obligation	—	—	—	131	99	130
Fair value of plan assets	—	—	—	17	2	6

The net periodic benefit cost recognized in the Consolidated Statements of Operations is composed of the following:

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Service cost[(1)]	$ 18	$ 26	$ 28	$ 7	$ 8	$ 9
Interest cost	87	42	31	6	3	2
Expected return on assets	(83)	(69)	(78)	(1)	—	—
Amortization of:						
Net actuarial loss	32	34	47	—	—	1
Prior service credit	(1)	(1)	(1)	—	—	—
Settlement loss (gain)	8	(1)	20	—	—	1
Other one-time expense	—	—	—	1	—	—
Net periodic benefit cost	**$ 61**	**$ 31**	**$ 47**	**$13**	**$11**	**$13**

(1) Service cost is included within Cost of goods sold and Selling, general and administrative expenses while all other components are recorded within Pension and other postretirement non-service expense, net.

Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income:

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Net actuarial loss (gain)	$ 51	$ 6	$(148)	$ 9	$(20)	$ (8)
Prior service cost (credit) arising during the year	3	—	—	2	(1)	—
Reclassification of prior service credit	1	1	1	—	—	—
Reclassification of actuarial loss and settlement loss	(40)	(33)	(67)	—	—	(2)
Exchange rate loss (gain)	32	(64)	(50)	1	(1)	(2)
Amount recognized in other comprehensive loss (income)	**$ 47**	**$(90)**	**$(264)**	**$12**	**$(22)**	**$(12)**
Amount recognized in net periodic pension benefit cost and other comprehensive loss (income)	**$108**	**$(59)**	**$(217)**	**$25**	**$(11)**	**$ 1**

Major actuarial assumptions used in determining the benefit obligations and net periodic pension cost for our defined benefit plans are presented in the following table:

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Weighted-average assumptions used to determine benefit obligations as of December 31 are:						
Discount rate	3.75%	4.10%	1.51%	5.12%	5.30%	2.54%
Rate of compensation increase	2.64%	2.71%	2.31%	3.70%	2.76%	2.68%

	Defined Benefit Pension Plans			Other Postretirement Benefit Plans		
	2023	2022	2021	2023	2022	2021
Weighted-average assumptions used in the calculation of benefit plan expense for years ended December 31:						
Discount rate	4.10%	1.51%	0.95%	5.30%	2.54%	1.70%
Rate of compensation increase	2.71%	2.31%	1.82%	2.76%	2.68%	2.54%
Expected long-term rate of return on plan assets	4.77%	2.97%	3.01%	4.91%	5.45%	3.14%
Interest crediting rates	1.30%	2.00%	2.00%	N/A	N/A	N/A

The expected long-term rate of return on plan assets is based on the target asset allocation and the expected returns per asset class in the Capital Market Assumption model derived by our pension accounting actuary. This model is based on a blend of economic theory, historical analysis and/or other sources.

Using the target asset allocation for each asset class, the overall expected rate of return for the portfolio is developed considering the effects of active portfolio management and expenses paid from plan assets. The discount rates assumptions were determined from a universe of high quality corporate bonds which reflected currency and duration of each plan.

Our Investment Policies and Strategies

Our investment policies and strategies guide and direct how the funds are managed for the benefit plans we sponsor. Our main funds include:

- Smurfit Kappa UK Pension Funds
- Smurfit Kappa Ireland Pension Funds
- Smurfit Kappa Netherlands Pension Fund
- Smurfit Kappa Packaging LLC Plan—our U.S. qualified plan

The Trustees of all our funded plans all use a fiduciary manager to implement the investment policy appropriate for each plan and there is an Investment Committee for each of these plans. The investment strategy varies by local legislative requirements, funded status and maturity of the plan. Periodic reviews are made of both investment policy objectives and investment manager performance.

Over the last few years, we have de-risked the plan investments using a combination of automatic triggers and decision making by the Investment Committee. In all cases the investment strategy targets a percentage allocation to growth assets and a percentage allocation to liability hedging assets based on each plan's funded status and local legislative requirements. Over time, we would expect to continue to increase the allocation to liability hedging assets as funding levels improve.

Investments are diversified across asset classes and within each asset class to minimize the risk of large losses. Derivatives, including swaps, forward and future contracts may be used as asset class substitutes or for hedging or other risk management purposes. There is very low concentration of risk within the plans. All the plans hold highly diversified investment portfolios that are not reliant on any single named stocks or specific parts of the market.

Valuation of Our Plan Assets

Pension assets are stated at fair value or Net Asset Value ("NAV"). Fair value is based on the amount that would be received to sell an asset or paid to settle a liability, in an orderly transaction between market participants at the reporting date. We consider both observable and unobservable inputs that reflect assumptions applied by market participants when setting the exit price of an asset or liability in an orderly transaction within the principal market for that asset or liability.

We value the pension plan assets based upon the observability of exit pricing inputs and classify pension plan assets based upon the lowest level input that is significant to the fair value measurement of the pension plan assets in their entirety.

The Company's target asset allocations are as follows:

	Defined Benefit Pension Plans Weighted Target allocation %	OPEB Plan Weighted Target allocation %
Asset Class	**2023**	**2023**
Equities	37	27
Fixed Income	38	41
Real Estate / Property	4	—
Other (incl LDI)	21	32

Fair Value Measurement

The guidance for fair value measurements and disclosure sets out a fair value hierarchy that group fair value measurement inputs into the following three classifications:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability reflecting the reporting entity's own assumptions or external inputs from inactive markets.

Transfers between levels are recognized at the end of the reporting period.

The following table summarizes our pension plan assets measured at fair value on a recurring basis (at least annually) as of December 31:

	Defined Benefit Pension Plans											
	2023				2022				2021			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Asset Class	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total
Plan assets are comprised as follows:												
Cash	$ 24	$ 8	$ —	$ 32	$ 44	$ 67	$ —	$ 111	$ (9)	$ 215	$ —	$ 206
Equity	338	90	13	441	267	196	—	463	47	857	—	904
Government Bonds	653	34	—	687	528	26	—	554	160	363	—	523
Corporate Bonds	158	205	—	363	241	75	—	316	128	340	—	468
Real Estate / Property	3	65	28	96	9	77	41	127	3	73	46	122
Insurance Contracts	—	—	35	35	—	—	31	31	—	—	36	36
Derivatives	—	(29)	—	(29)	—	4	—	4	—	63	—	63
Other (incl LDI)	1	165	101	267	18	6	62	86	—	142	89	231
Total assets	**$1,177**	**$538**	**$177**	**$1,892**	**$1,107**	**$451**	**$134**	**$1,692**	**$329**	**$2,053**	**$171**	**$2,553**

	Other Postretirement Benefit Plans											
	2023				2022				2021			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Asset Class	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	Quoted Prices In Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total
Plan assets are comprised as follows:												
Cash	$—	$—	$—	$—	$—	$—	$—	$—	$—	$—	$—	$—
Equity	10	—	—	10	8	—	—	8	9	—	—	9
Insurance Contracts	—	—	2	2	—	—	2	2	—	—	2	2
Other (incl LDI)	—	15	—	15	—	14	—	14	—	14	—	14
Total assets	**$10**	**$15**	**$ 2**	**$27**	**$ 8**	**$14**	**$ 2**	**$24**	**$ 9**	**$14**	**$ 2**	**$25**

A reconciliation of the beginning and ending balances of the pension plan assets measured at fair value using significant unobservable inputs (Level 3) is presented below:

Level 3 reconciliation	Balance at December 31, 2022	Actual Return on Plan Assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2023	Balance at December 31, 2022	Actual Return on Plan Assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2023
Asset Class	Defined Benefit Pension Plans						Other Postretirement Benefit Plans					
Equity	$ —	$—	$13	$ —	$—	$ 13	$—	$—	$—	$—	$—	$—
Real Estate / Property	41	3	—	(17)	1	28	—	—	—	—	—	—
Insurance Contracts	31	2	3	(2)	1	35	2	—	—	—	—	2
Other (incl LDI)	62	10	38	(12)	3	101	—	—	—	—	—	—
Total assets	**$134**	**$15**	**$54**	**$(31)**	**$5**	**$177**	**$ 2**	**$—**	**$—**	**$—**	**$—**	**$ 2**

Level 3 reconciliation	Balance at December 31, 2021	Actual Return on Plan Assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2022	Balance at December 31, 2021	Actual Return on Plan Assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2022
Asset Class	Defined Benefit Pension Plans						Other Postretirement Benefit Plans					
Real Estate / Property	$ 46	$ 1	$—	$—	$ (6)	$ 41	$—	$—	$—	$—	$—	$—
Insurance Contracts	36	(2)	1	(2)	(2)	31	2	—	—	—	—	2
Other (incl LDI)	89	(20)	1	—	(8)	62	—	—	—	—	—	—
Total assets	**$171**	**$(21)**	**$ 2**	**$(2)**	**$(16)**	**$134**	**$ 2**	**$—**	**$—**	**$—**	**$—**	**$ 2**

Level 3 reconciliation	Balance at December 31, 2020	Actual Return on Plan Assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2021	Balance at December 31, 2020	Actual Return on Plan Assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2021
Asset Class	Defined Benefit Pension Plans						Other Postretirement Benefit Plans					
Real Estate / Property	$ 15	$—	$33	$ —	$(2)	$ 46	$—	$—	$—	$—	$—	$—
Insurance Contracts	40	1	1	(3)	(3)	36	2	—	—	—	—	2
Other (incl LDI)	66	5	20	—	(2)	89	—	—	—	—	—	—
Total assets	**$121**	**$ 6**	**$54**	**$(3)**	**$(7)**	**$171**	**$ 2**	**$—**	**$—**	**$—**	**$—**	**$ 2**

	Other Postretirement Benefit Plans Years ended in December 31st		
	2023	**2022**	**2021**
The assumed healthcare cost trend rates as of December 31 are:			
Health care cost trend rate assumed for next year	5.14%	5.29%	5.43%
Rate to which the cost trend rate gradually declines	5.00%	5.00%	5.00%
Year the rate reaches the ultimate rate	2025	2025	2025

Pension Plan Contributions and Benefit Payments

Established funding standards govern the funding requirements for our qualified and approved pensions in various jurisdictions. We fund the benefit payments of our non-qualified or unfunded plans as benefit payments come due.

During 2024, based on estimated year-end asset values and projection of plan liabilities we expect to make contributions and/or benefit payments of approximately: $30 million for our non-qualified or unfunded plans and $74 million for our qualified or funded plans.

At December 31, 2023, projected future pension and other postretirement benefit payments (excluding any termination benefits) were as follows:

	Defined Benefit Pension Plans	Other Postretirement Benefit Plans
Year ending December 31,	**2023**	
2024	$102	$11
2025	105	9
2026	106	11
2027	111	14
2028	112	15
2029-2033	$629	$70

19. Disposal of Russian Operations

The sale of the Russian operations was completed on March 20, 2023 following the Company's previously announced plan to exit the Russian market in an orderly manner in 2022. The results of the operations in Russia were not presented as a discontinued operation as they did not represent a strategic shift that had or will have a major effect on our operations and financial results. Such operations are neither a major line of business or a major geographical area and represented less than 1.5% of the company's net sales in 2023 and in 2022. During the year ended December 31, 2022, in advance of classifying the Russian disposal group as held for sale, the recoverable value of zero was reassessed based on the terms of the sales agreement entered into, applying the fair value less costs to sell method. This resulted in an impairment charge of $159 million being recorded in 2022 within Impairment of other assets.

Upon completion of the sale during 2023, the assets and liabilities previously classified as held for sale were derecognized and a pre-tax net loss on disposal was recognized of $10 million within Other (expense) income, net.

20. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in $ millions, except per share data):

	Years ended December 31,		
	2023	2022	2021
Numerator:			
Net income attributable to common stockholders	$ 825	$ 1,034	$ 802
Denominator:			
Basic weighted average shares outstanding	258,311,725	258,469,338	257,086,008
Effect of dilutive share options	2,030,890	2,509,868	2,788,074
Diluted weighted average shares outstanding	260,342,615	260,979,206	259,874,082
Basic earnings per share attributable to common stockholders	**$ 3.19**	**$ 4.00**	**$ 3.12**
Diluted earnings per share attributable to common stockholders	**$ 3.17**	**$ 3.96**	**$ 3.08**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. These comprise deferred and performance shares issued under the Company's long-term incentive plans. Details of these plans are set out in Note 16. Where the conditions governing exercisability and vesting of these shares have been satisfied as at the end of the reporting period, they have been included in the computation of diluted earnings per share.

21. Commitments and Contingencies

We have financial commitments and obligations that arise in the ordinary course of our business. These include debt (discussed in "Note 10 Debt"), lease obligations (discussed in "Note 11 Leases"), pension liabilities (discussed in "Note 18 Retirement Plans"), capital commitments, purchase commitments, legal proceedings, other, and guarantees (discussed below).

Capital Commitments

Estimated costs for future purchases of Property, plant and equipment that we are obligated to purchase as of December 31, 2023 total approximately $368 million.

Purchase Commitments

In the table below, we set forth our enforceable and legally binding purchase obligations as of December 31, 2023. These obligations relate to various purchase agreements for items such as minimum amounts of energy, fiber, and wood purchases over periods ranging from one year to six years. Some of the amounts are based on management's estimates and assumptions about these obligations, including their duration, the possibility of renewal, anticipated actions by third parties, and other factors. Because these estimates and assumptions are necessarily subjective, our actual payments may vary from those reflected in the table. Total purchase commitments were as follows:

2024	$241
2025	195
2026	79
2027	17
2028	17
Thereafter	—
Total	**$549**

Legal Proceedings

We are a party to various legal actions arising in the ordinary course of our business. The Company recorded legal liabilities of $78 million, $60 million and $30 million as of December 31, 2023, 2022 and 2021, respectively. While the ultimate results of the legal proceedings against us cannot be predicted, we believe the resolutions of these matters will not have a material adverse effect on our results of operations, financial condition or cash flows.

Other

We are involved in various other inquiries, administrative proceedings and litigation relating to dilapidations, employee compensation in certain countries and numerous other items. Assessments of lawsuits and claims can involve a series of complex judgments about future events, can rely heavily on estimates and assumptions, and are otherwise subject to significant uncertainties. As a result, there can be no certainty that the Company will not ultimately incur charges in excess of presently recorded liabilities. The Company believes that loss contingencies arising from pending matters, including the matters described herein, will not have a material effect on the consolidated financial position or liquidity of the Company. However, in light of the inherent uncertainties involved in pending or threatened legal matters, some of which are beyond the Company's control, and the large or indeterminate damages sought in some of these matters, a future adverse ruling, settlement, unfavorable development, or increase in accruals with respect to these matters could result in future charges that could be material to the Company's results of operations or cash flows in any particular reporting period.

The Company recorded other liabilities of $69 million, $58 million and $49 million as of December 31, 2023, 2022 and 2021, respectively.

22. Variable Interest Entities

The Company is a party to two arrangements involving securitization of its trade receivables. The arrangements required the establishment of certain special purpose entities namely Smurfit Kappa International Receivables DAC, Smurfit Kappa Receivables PLC and Smurfit Kappa European Packaging DAC (a subsidiary of Smurfit Kappa Receivables PLC). The sole purpose of the securitization entities is the raising of finance for the Company using the receivables generated by certain operating entities, as collateral. Refer to Note 10 Debt for more information around the securitization entities. All entities are considered to be Variable Interest Entities.

The Company is the primary beneficiary of Smurfit Kappa International Receivables DAC, Smurfit Kappa European Packaging DAC and Smurfit Kappa Receivables PLC, through various financing arrangements and due to the fact that it is responsible for the entities' most significant economic activities.

The carrying amount of Smurfit Kappa International Receivables DAC, Smurfit Kappa Receivables PLC, and Smurfit Kappa European Packaging DAC assets and liabilities, reported within the Consolidated Balance Sheets are set out in following table.

	Years ended December 31,		
	2023	**2022**	**2021**
Assets			
Current assets:			
Cash and cash equivalents, including restricted cash	$ 3	$ 5	$ 8
Accounts receivable	816	947	862
Total current assets	**819**	**952**	**870**
Total assets	**819**	**952**	**870**
Liabilities			
Non-current debt due after one year	20	19	20
Total liabilities	**$ 20**	**$ 19**	**$ 20**

23. Related Party Transactions

We sell products to and receive services from affiliated entities. These transactions are undertaken and settled at normal trading terms. No guarantees are given or received by either party. Related party balances and transactions were not material for any period presented.

24. Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in accumulated other comprehensive loss by component for the three years ended December 31, 2023, 2022 and 2021:

	Foreign Currency Translation	Cash Flow Hedges	Defined Benefit Pension and Post-retirement Plans	Other Reserves (2)	Total (1)
Balance at December 31, 2020	**$ 507**	**$ 9**	**$1,085**	**$(751)**	**$ 850**
Other comprehensive loss (income)	326	5	(235)	—	96
Balance at December 31, 2021	**$ 833**	**$14**	**$ 850**	**$(751)**	**$ 946**
Other comprehensive loss (income)	366	7	(110)	—	263
Balance at December 31, 2022	**$1,199**	**$21**	**$ 740**	**$(751)**	**$1,209**
Other comprehensive (income) loss	(410)	(5)	53	—	(362)
Balance at December 31, 2023	**$ 789**	**$16**	**$ 793**	**$(751)**	**$ 847**

(1) All amounts are net of tax and non-controlling interest.

(2) This relates to a reverse acquisition reserve which arose on the creation of a new parent of the Company prior to the United Kingdom / Ireland listings.

A summary of the components of other comprehensive income (loss), including non-controlling interest, for the years ended December 31, 2023, 2022 and 2021, is as follows:

	2023			2022			2021		
	Pre-Tax	**Tax**	**Net of Tax**	**Pre-Tax**	**Tax**	**Net of Tax**	**Pre-Tax**	**Tax**	**Net of Tax**
Foreign currency translation gain (loss)	$410	$—	$410	$(366)	$—	$(366)	$(326)	$ —	$(326)
Defined benefit pension and other post-retirement benefit plans:									
Net actuarial (loss) gain arising during period	(60)	13	(47)	14	(1)	13	156	(28)	128
Amortization and settlement recognition of net actuarial loss	40	(9)	31	33	(1)	32	69	(13)	56
Prior service (cost) credit arising during the period	(5)	2	(3)	1	—	1	—	—	—
Amortization of prior service credit	(1)	—	(1)	(1)	—	(1)	(1)	—	(1)
Foreign currency (loss) gain—pensions	(33)	—	(33)	65	—	65	52	—	52
Other long-term employment benefit plans:									
Net actuarial gain arising during period	—	—	—	3	—	3	1	—	1
Amortization and settlement recognition of net actuarial gain	—	—	—	(3)	—	(3)	(1)	—	(1)
Derivatives:									
Changes in fair value of cash flow hedges	5	—	5	(6)	—	(6)	(4)	—	(4)
Changes in fair value of cost of hedging	—	—	—	(1)	—	(1)	(1)	—	(1)
Consolidated other comprehensive income (loss)	356	6	362	(261)	(2)	(263)	(55)	(41)	(96)
Less: Other comprehensive income attributable to non-controlling interests	—	—	—	—	—	—	—	—	—
Other comprehensive income (loss) attributable to common stockholders	**$356**	**$ 6**	**$362**	**$(261)**	**$ (2)**	**$(263)**	**$ (55)**	**$(41)**	**$ (96)**

Redeemable Non-controlling Interest

Prior to 2021, the Company recognized a redeemable non-controlling interest related to a 25% equity interest in a Serbian business. These non-controlling interests had put and call options that were redeemable at fair value. Prior to the exercise of our call option, the non-controlling interests were considered redeemable non-controlling equity interests, classified as temporary or mezzanine equity as at the acquisition date as their redemption was not solely within our control. The non-controlling interests were recorded at their respective fair values as of the acquisition dates and were adjusted to their expected redemption values, with an offsetting entry to retained earnings, as at each reporting date as if that date was the redemption date, if those amounts exceed their respective carrying values. During 2021, we exercised our call option to purchase the remaining 25% of the Serbian business at a cost of $37 million.

25. Subsequent Events

The Company has evaluated subsequent events through 26 March 2024, which is the date the Consolidated Financial Statements were available to be issued. The Company has concluded that no events or transactions have occurred that may require disclosure in the accompanying financial statements.