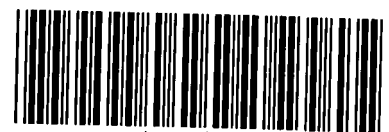


GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Stephen Richard Scherger Lauren Tashma Eveline Maria Van de Rovaart Hilde Maria Willy Van Moeseke (resigned 20 April 2020) Joseph Paul Yost (resigned 20 April 2020) Jean-Francois Roche (appointed 21 April 2020)
Registered number	05400677
Registered office	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Independent auditors	Ernst & Young 1 Bridgewater Place Water Lane Leeds LS11 5QR
Bankers	Bank of America London Branch 2 King Edward Street London EC1A 1HQ
Solicitors	Eversheds Sutherland LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their Strategic Report for the year ended 31 December 2019.

Business review

Graphic Packaging International Box Holdings Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK.

The Company is a wholly indirectly owned subsidiary of Graphic Packaging Holding Company and operates as part of the food packaging division.

The company's principal activities are that of a holding company for operating companies involved in the manufacture and sale of cartons for the food industry in the UK and Europe. This entity now contains all centralised costs supporting GPI Bardon, GPI Gateshead and GPI Distribution, these entities are then charged a service fee associated with the support received. GPI Box Holdings Ltd now also holds all centralised production material. The directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next period although every opportunity to reduce costs through further centralisation may occur.

The directors do not anticipate any significant changes in the Company's activities in the foreseeable future.

Principal risks and uncertainties

Significant changes in the related parties in the GPI group would result in the need to change the centralised service offerings held in GPI Box Holdings Ltd to match the business requirements.

While COVID 19 has impacted our operations and those of the subsidiaries we serve in 2020, the health & safety of our workforce and continuation of supply to the food industry has been our focus. Graphic Packaging has been able to adapt its procedures to ensure production continues whilst adhering to government guidelines. This has meant we have not seen a significant impact on revenue in this period. Additional costs have occurred due to increased employee absence, cleaning routines, additional PPE and IT equipment to allow employees that can, to work from home.

Financial key performance indicators

The key financial and other performance indicators during the period were as follows:

	2019	2018	Change
	£'000	£'000	%
Turnover	4,274	4,058	5%
EBITDA	204	193	6%
(Loss) After Tax	-59	-61	-3%
Average number of employees	56	56	0%

Turnover has increased by 5% due to an increase in the service requirements for the sites that GPI Box Holdings serves. Turnover for the next financial year is expected to be at a similar level of that achieved this year. Loss After Tax has decreased by 3% due to an increase in interest payable. The average number of staff has stayed at the same level.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' statement of compliance with duty to promote the success of the Company

The Directors of Graphic Packaging International Box Holdings Limited must act in accordance with a set of general rules detailed in the Companies Act 2006 and include Section 172 a duty to promote the success of the company:-

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Each of the Directors is mindful of their duties under Section 172 to run the Company for the benefit of its owners, and therefore, to take into account the long term impact of any decisions on stakeholder relationships and the impact of its activities on its reputation for high standards of business conduct. The Company recognises that it cannot operate in a vacuum and continuously interact in a responsible manner and have positive relationships with all of our stakeholders.

Delegation of authority – the board believes governance of the company is best achieved by delegation of its authority for the executive management of the company to the President of Europe (a director of this company), subject to defined limits and monitoring by the board. The board routinely monitors the delegation of authority, ensuring that it is regularly updated, while retaining ultimate responsibility.

Strategy and monitoring - The annual goals and objectives are set and cascaded from the parent company board by the US President and CEO. The European Management Team meet regularly to discuss the European businesses and to review the strategic decisions in place to meet the set goals and objectives. Key members of the European Management Team report to the US Management Team (which includes a director of this company) on a regular basis, discuss risks and to plan ahead. The board satisfies itself that emerging and principal risks to the company are identified and understood, systems of risk management, compliance and controls are in place to mitigate such risks and expected conduct of the company's business and its employees is reflected in a set of values established by the President of Europe.

The directors have identified the key stakeholders in the table below together with an explanation of why the stakeholder is key, how the directors interact with the stakeholder, what is discussed with the stakeholders and the outcomes of those interactions.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

WHO? STAKEHOLDER GROUP	WHY?	HOW?	WHAT?	OUTCOMES AND ACTIONS
<u>Our Investors</u> Graphic Packaging Holding Company (GPHC) is our ultimate parent (see note 19) and is our main provider of capital funding	<p>Major capital projects require prior approval from the US management team to ensure that they are aligned with the overall strategic goals and objectives of GPHC.</p> <p>Treasury and Dividend policy</p>	<p>On an annual basis, the Long Range Plan (3 years) is prepared and submitted to GPHC for approval. This plan includes the capital requests including justification. Once the plan has been signed off, regular monthly meetings are conducted to review performance against the plan.</p> <p>The Treasury and Tax departments in the US regularly review the liquidity position in Europe</p>	<p>Internal Audit have an independent direct reporting line to the Audit Committee in the US and formally test and report on compliance with key financial regulations applied in our company. These include:-</p> <ul style="list-style-type: none"> ⇒ testing the design and operation of financial controls within the Sarbanes-Oxley financial control framework ⇒ Treasury policy ⇒ Dividends policy 	<p>Internal audits are conducted on a regular basis. The Company and its subsidiaries were in scope for key controls testing (SOX) including the 10K.</p> <p>Process improvements are documented and reviewed on a regular basis.</p> <ul style="list-style-type: none"> ⇒ The general intent is to minimise net interest expense and manage funds and loans appropriately by balancing liquidity across Europe ⇒ The general intent is to keep cash within Europe
<u>Our Suppliers</u> A significant proportion of our main raw material is purchased internally from our associate companies in the US. Other materials are sourced from vendors with whom it is not uncommon for the business relationship to be mature and strategic. Key metrics <ul style="list-style-type: none"> ⇒ Availability of sustainable certified products ⇒ Monitoring of the integrity of contract commitments, in particular relating to volume commitments and applicable commercial conditions 	<p>Suppliers have an important role to play in the Company's success. We aim to build long term, honest, and respectful relationships with suppliers who maintain regulatory compliance and share our ethical standards and commitment to sustainability throughout the supply chain.</p>	<ul style="list-style-type: none"> ⇒ Direct engagement via a centralised procurement function ⇒ Contracts and terms of business ⇒ Long term business relationships 	<ul style="list-style-type: none"> ⇒ Impact of Brexit on business continuity in our UK factories: our suppliers to minimise business friction and cost. 	<ul style="list-style-type: none"> ⇒ Maintain regular dialogue with suppliers to understand and mitigate risk with regard to Brexit ⇒ An internal group has been set up to assess and address corporate risk relating to BREXIT. Work has been identified where we or the suppliers need to adapt depending on the various Brexit scenarios.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

WHO? STAKEHOLDER GROUP	WHY?	HOW?	WHAT?	OUTCOMES AND ACTIONS
<p><u>Our People</u></p> <p>We define workforce as the combination of employees and contractors.</p> <p>Key metrics:</p> <ul style="list-style-type: none"> ⇒ Board - 50% Female (2), 50% Male (2) ⇒ Workforce - 40% Female, 60% Male for entity ⇒ 21% Female 79% Male Average all subsidiaries ⇒ Gender Pay Gap reporting - Mean 10.5% across subsidiaries 	<p>Our workforce are an important asset and play a significant role in achieving our vision. Accordingly, we are focused on ensuring we have the right talent in the right roles at the right time.</p>	<ul style="list-style-type: none"> ⇒ Code of Conduct sets the culture ⇒ Mid-year plans critical components - talent acquisition, succession, development, and diversity and inclusion strategies ⇒ Engagement with the workforce & unions ⇒ Intranet, newsletters, presentations, email, notices and post 	<ul style="list-style-type: none"> ⇒ Physical working conditions and environment (Health and Safety) ⇒ Opportunities for development and training ⇒ Communication ⇒ Awards 	<ul style="list-style-type: none"> ⇒ Investment approved to upgrade the staff changing facilities at a subsidiary site ⇒ Implementation of flexible working and a holiday purchase scheme at a subsidiary site ⇒ Mental health and wellbeing programme - 24/7 confidential helpline ⇒ Talent Acceleration programme/ Succession plan/ Standardised Training plans/ full use of the Apprenticeship Levy ⇒ Investment in longer term professional qualifications which leads to successful retention and progression of staff ⇒ Compulsory annual Code of Business Conduct and Ethics training ⇒ Regular CEO & Plant Manager Updates ⇒ Regular team meetings ⇒ Gender Pay Reporting – GPI website ⇒ Training recognition awards, BPIF & Print Charity Awards, Long service awards.
<p><u>Our Customers</u></p> <p>Our customers range from small, medium and large food manufacturers across multiple market segments as well as associate GPI companies.</p>	<p>The Company strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost through its commitment to quality and service and where possible allow for vertical integration benefits to exist</p>	<ul style="list-style-type: none"> ⇒ Direct engagement with our customers to support their critical business objectives ⇒ Website ⇒ Industry associations ⇒ Contracts and terms of business 	<ul style="list-style-type: none"> ⇒ Product innovation and development (environmental, sustainability) ⇒ Market conditions, customer service, value optimisation and product quality 	<ul style="list-style-type: none"> ⇒ Challenged by the market response to plastic, designed and engineered a paper-based packaging solution which reduces the plastic content of trays significantly. This development has opened up adjacent markets for GPI ⇒ Customers are often invited to site where the Sales, Design, Customer Service and Senior Management Teams can showcase product innovation as well as reviewing business activities, market conditions and discuss value optimisation.

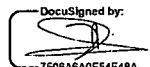
GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

WHO? STAKEHOLDER GROUP	WHY?	HOW?	WHAT?	OUTCOMES AND ACTIONS
<u>Our Communities and Environment</u> Our communities comprise those living and working in close geographic proximity to our operations and those who represent the needs of our communities including charities	We have a long history of environmental and social responsibility practices at the Company and we continue to improve our manufacturing processes We encourage local community engagement as this is just one of the sources of future employees	⇒ Our parent company in the US supply us with our main material - paper-board - which is primarily from a renewable wood fibre, which is highly recyclable ⇒ Local school engagement ⇒ Charity related fundraising ⇒ Preparation for the Streamlined Energy and Carbon Reporting Framework (SECR)	⇒ School site visits, tree planting ⇒ Local charity support ⇒ Support local junior sporting clubs ⇒ 2 weeks placement of students from local schools aged 14-16 ⇒ 18 month weekly placement of Studio school students aged 14-16 ⇒ Apprenticeships ⇒ SECR preparation	⇒ Local school visit for GPI "Trees Into Cartons, Cartons Into Trees" campaign ⇒ Various projects at subsidiary sites to support their local charities ⇒ Sponsorship for sports kit and equipment ⇒ Industry insight and work-based experience in various departments ⇒ Employment opportunities as an apprentice upon leaving full time education and continue work based education ⇒ Succession planning for all skilled roles ⇒ Engagement with manufacturing plants ⇒ Software installation ⇒ Subsidiary manufacturing plants completed ESOS reporting December 2019

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board and signed on its behalf.

DocuSigned by:


Jean-Francois Roche
Director

Date: 8 December 2020

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2019.

Directors

The directors who served during the year were:

Stephen Richard Scherger
Lauren Tashma
Eveline Maria Van de Rovaart
Hilde Maria Willy Van Moeseke (resigned 20 April 2020)
Joseph Paul Yost (resigned 20 April 2020)
Jean-Francois Roche (appointed 21 April 2020)

Environmental matters

Graphic Packaging International Box Holdings Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to mitigate any adverse impact that might be caused by its, and the operating companies' activities. Initiatives aimed at minimising the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy and materials consumption. The company has developed a corporate social responsibility programme and is working with customers and suppliers on ways of protecting the environment, through design and innovation of new products that have an environmental benefit.

Going Concern

Despite the challenges of COVID 19 the business, whose principal activity is the provision of services to its subsidiaries who in turn supply product used by suppliers to the retail food industry, has traded as expected through 2020 to date. Any cash generated by the company is held in the group's European cash pool, as part of the balances due from parent entities, and is available for the company to draw down on demand if required. The company has no external debt but does have net current liabilities due to group borrowings. The directors have considered the profit projections and cash flow forecasts for the period to 31 December 2021. The expectation is that the company will continue to enjoy access to the European cash pool over that time frame to ensure it can meet its obligations as they fall due.

The formal cash pooling agreement gives the company the right to access on demand the funds deposited in the European cash pool and in certain circumstances borrow from the cash pool. The company has also obtained a letter of support from its ultimate parent which would give access to funds in the unlikely event that the funds in the European pool can not be accessed as expected.

In assessing the ability of the ultimate parent to support the company if needed the directors have received and reviewed a copy of the group managements going concern assessments which are produced as each set of quarterly results are released to the US market in accordance with ASC 205-40-50. The directors note that the US parent has considerable net current assets and very high levels of liquidity due to a combination of cash reserves and access to undrawn but committed facilities.

Given the above the directors have a reasonable expectation that the company has adequate resources and if needed support to continue in operational existence for the foreseeable future. Thus the financial statements have therefore been prepared on a going concern basis.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Engagement with employees

Details of the number of employees and related costs can be found in note 5 to the financial statements.

The company participates in Graphic Packaging Holding Company's policies and practices to keep employees informed on matters relevant to them as employees through appropriate means, such as employee meetings and newsletters.

The board remains committed to ensuring that the working environment within the company is one where differences in people are recognised and valued. Equality is the fundamental principle that determines how the company treats its employees and this is reflected in the company's employment policies.

The board understands its responsibilities to encourage and assist in the employment, training, personal and career development of disabled people, and employs them whenever suitable vacancies arise.

For additional detail regarding 'Engagement with employees', please refer to the Strategic Report - Directors' statement of compliance with duty to promote the success of the Company from page 2.

Engagement with suppliers, customers and others

For detail regarding 'Engagement with suppliers, customers and others', please refer to the Strategic Report - Directors' statement of compliance with duty to promote the success of the Company from page 2.

Disclosure of information to auditors

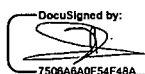
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, are not standing for re-appointment. PricewaterhouseCoopers LLP will be appointed as auditors from 2020 in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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Jean-Francois Roche
Director

Date: 8 December 2020

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

Opinion

We have audited the financial statements of Graphic Packaging International Box Holdings Ltd for the year ended 31 December 2019 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Effect of COVID-19

We draw attention to Note 18 of the financial statements, which describe the economic and social consequences the company's subsidiaries are facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report (set out on pages 1-9), other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

(CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

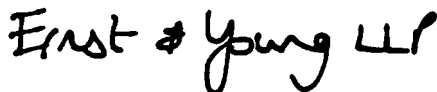
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Buckler (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP (Statutory Auditor)

Leeds UK

8 December 2020

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	3	4,274	4,058
Gross profit		<u>4,274</u>	<u>4,058</u>
Administrative expenses		(4,070)	(3,865)
Operating profit	4	<u>204</u>	<u>193</u>
Interest receivable and similar income		2	-
Interest payable and similar expenses	7	(265)	(252)
Loss before tax		<u>(59)</u>	<u>(59)</u>
Tax on loss	8	-	(2)
Loss for the financial year		<u><u>(59)</u></u>	<u><u>(61)</u></u>

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

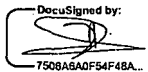
	Note	2019 £000	2018 £000
Loss for the financial year		(59)	(61)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Other comprehensive income for the year		-	-
		<hr/>	<hr/>
Total comprehensive (loss) for the year		<u>(59)</u>	<u>(61)</u>

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED
REGISTERED NUMBER:05400677

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	9	4,081	4,081
		<u>4,081</u>	<u>4,081</u>
Current assets			
Stocks	10	1,374	1,621
Debtors: amounts falling due within one year	11	2,271	2,303
Cash at bank and in hand		-	1
		<u>3,645</u>	<u>3,925</u>
Creditors: amounts falling due within one year	12	(12,474)	(12,695)
Net current liabilities		<u>(8,829)</u>	<u>(8,770)</u>
Total assets less current liabilities		<u>(4,748)</u>	<u>(4,689)</u>
Net liabilities		<u>(4,748)</u>	<u>(4,689)</u>
Capital and reserves			
Called up share capital	14	1	1
Share premium account		102	102
Profit and loss account		(4,851)	(4,792)
		<u>(4,748)</u>	<u>(4,689)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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Jean-Francois Roche
Director

Date: 8 December 2020

The notes on pages 16 to 26 form part of these financial statements.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2018	1	102	(4,731)	(4,628)
Comprehensive income for the year				
Loss for the year	-	-	(61)	(61)
Other comprehensive (loss) for the year	-	-	-	-
Total comprehensive (loss) for the year	-	-	(61)	(61)
At 1 January 2019	1	102	(4,792)	(4,689)
Comprehensive income for the year				
Loss for the year	-	-	(59)	(59)
Other comprehensive income for the year	-	-	-	-
Total comprehensive (loss) for the year	-	-	(59)	(59)
At 31 December 2019	1	102	(4,851)	(4,748)

Profit and Loss account

This reserve comprises the balance of the retained earnings carried forward.

Share Premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies

1.1 Basis of preparation of financial statements

Graphic Packaging International Box Holdings Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK. The registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Graphic Packaging Holding Company includes the Company in its consolidated financial statements. The consolidated financial statements of Graphic Packaging Holding Company are prepared in accordance with US Generally Accepted Accounting Principles available to the public and may be obtained from Graphic Packaging International Limited, Filwood Road, Fishponds, Bristol, BS16 3SB. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Graphic Packaging Holding Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The amounts are rounded to the nearest £,000.

The following principal accounting policies have been applied:

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.2 Going concern**

Despite the challenges of COVID 19 the business, whose principal activity is the provision of services to its subsidiaries who in turn supply product used by suppliers to the retail food industry, has traded as expected through 2020 to date. Any cash generated by the company is held in the group's European cash pool, as part of the balances due from parent entities, and is available for the company to draw down on demand if required. The company has no external debt but does have net current liabilities due to group borrowings. The directors have considered the profit projections and cash flow forecasts for the period to 31 December 2021. The expectation is that the company will continue to enjoy access to the European cash pool over that time frame to ensure it can meet its obligations as they fall due.

The formal cash pooling agreement gives the company the right to access on demand the funds deposited in the European cash pool and in certain circumstances borrow from the cash pool. The company has also obtained a letter of support from its ultimate parent which would give access to funds in the unlikely event that the funds in the European pool can not be accessed as expected.

In assessing the ability of the ultimate parent to support the company if needed the directors have received and reviewed a copy of the group managements going concern assessments which are produced as each set of quarterly results are released to the US market in accordance with ASC 205-40-50. The directors note that the US parent has considerable net current assets and very high levels of liquidity due to a combination of cash reserves and access to undrawn but committed facilities.

Given the above the directors have a reasonable expectation that the company has adequate resources and if needed support to continue in operational existence for the foreseeable future. Thus the financial statements have therefore been prepared on a going concern basis.

1.3 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)

1.4 Turnover

Turnover represents the amounts generated from management fee charges to related entities excluding value added tax and is recognised when the provision of the service is complete.

1.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.6 Interest Receivable & Similar Income

Interest income is recognised in profit or loss using the effective interest method.

1.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The group arrangement for corporation tax, for which this company is a part of, has expanded to include other Graphic Packaging entities and their accumulated tax losses which will reduce the current and future tax liability of this company. The tax losses utilised under this group arrangement are not paid for by the entities benefiting from a reduced tax position.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete slow moving and defective stocks. Stock of internally purchased material is held and managed on behalf of and sold to subsidiary manufacturing companies.

1.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The only key accounting estimate relates to the carrying value of investments. The performance of the applicable subsidiaries are reviewed continually to ensure there are no indicators of impairment.

3. Turnover

	2019	<i>2018</i>
	£000	<i>£000</i>
United Kingdom	4,274	<i>4,058</i>
	<u>4,274</u>	<u><i>4,058</i></u>

4. Operating profit

The operating profit is stated after charging:

	2019	<i>2018</i>
	£000	<i>£000</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18	<i>16</i>
Other operating lease rentals	150	<i>165</i>
	<u>150</u>	<u><i>165</i></u>

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Employees and Directors

Staff costs were as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Wages and salaries	2,763	<i>2,605</i>
Social security costs	376	<i>384</i>
Cost of defined contribution scheme	153	<i>122</i>
	<u>3,292</u>	<u><i>3,111</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019	<i>2018</i>
	No.	<i>No.</i>
Manufacturing	24	<i>25</i>
Sales and distribution	26	<i>26</i>
Administration	6	<i>5</i>
	<u>56</u>	<u><i>56</i></u>

6. Directors' remuneration

In 2019 all the directors are also directors of other group companies. Their emoluments are paid by other group companies. The qualifying services provided by the directors to this Company during the year were negligible compared to their total group wide responsibilities and so no value has been apportioned to those services.

7. Interest payable and similar expenses

	2019	<i>2018</i>
	£000	<i>£000</i>
Interest payable on intercompany banking facility	265	<i>252</i>
	<u>265</u>	<u><i>252</i></u>

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on loss for the year	-	2
	-	2
Total current tax	-	2
Deferred tax		
Total deferred tax	-	-
Taxation on (Loss) on ordinary activities	-	2

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Loss before tax	(59)	(59)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(11)	(11)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5	6
Other differences leading to an increase (decrease) in the tax charge	6	7
Total tax charge/(credit) for the year	-	2

Factors that may affect future tax changes

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2019	4,081
At 31 December 2019	<u>4,081</u>
Net book value	
At 31 December 2019	<u>4,081</u>
At 31 December 2018	<u>4,081</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Graphic Packaging International Bardon Ltd	Ordinary £1 share	100%
Graphic Packaging International Gateshead Ltd	Ordinary £1 share	100%
Graphic Packaging International Distribution Ltd	Ordinary £1 share	100%
Print Design & Graphic Ltd	Ordinary £1 share	100%

The registered office for all investments is the same as Graphic Packaging International Box Holdings Ltd
- see Company Information page.

10. Stocks

	2019 £000	2018 £000
Raw materials and consumables	1,374	1,621
	<u>1,374</u>	<u>1,621</u>

11. Debtors: Amounts falling due within one year

2019 £000	2018 £000
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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Debtors: Amounts falling due within one year (continued)

Trade debtors	3	2
Amounts owed by parent undertakings	981	982
Amounts owed by associated group undertakings	119	145
Amounts owed by subsidiary undertakings	1,049	1,102
Prepayments and accrued income	111	65
Deferred taxation (Note 13)	8	7
	<hr/> 2,271	<hr/> 2,303
	<hr/> <hr/>	<hr/> <hr/>

12. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	223	371
Amounts owed to subsidiary undertakings	32	14
Amounts owed to parent undertakings	11,569	11,863
Amounts owed to associated group undertakings	41	13
Other taxation and social security	249	107
Accruals and deferred income	360	327
	<hr/> 12,474	<hr/> 12,695
	<hr/> <hr/>	<hr/> <hr/>

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Deferred taxation

	2019 £000	2018 £000
At beginning of year	7	9
Charged to profit or loss	-	(2)
At end of year	<u><u>7</u></u>	<u><u>7</u></u>

The deferred tax asset is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	5	5
Short term timing differences	3	2
	<u><u>8</u></u>	<u><u>7</u></u>

The net reversal of the deferred tax asset expected to occur in the year ended 31 December 2020 is not expected to be material. This reversal relates to the reduction in the corporation tax rate and the unwinding of the timing difference between the tax written down value of capital assets and their accounting net book value.

14. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
133,375 Ordinary Shares shares of £0.01 each	1	1
15,000 Preferred Ordinary Shares shares of £0.01 each	-	-
	<u><u>1</u></u>	<u><u>1</u></u>

15. Pension commitments

There is a defined contribution scheme operated in the UK. The charge for the year amounts to £153,102 (2018: £121,829) and represents the contributions payable by the company to the fund.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Within one year	128	<i>96</i>
Within two to five years	92	<i>98</i>
	220	<i>194</i>

17. Related party transactions

The Company has taken advantage of the exemption, as permitted by paragraph 1(A) of chapter 33 of FRS 102, not to disclose related party transactions between fellow wholly owned subsidiaries within the group. There have been no related party transactions in the year other than those with wholly owned subsidiaries within the group.

18. Post balance sheet events

The COVID-19 outbreak subsequent to the year end, whilst a non-adjusting event for these financial statements, may have an impact on the results for future years of either this company or its subsidiaries. Due to restrictions implemented by various Governments to mitigate the spread of COVID-19, the company's subsidiaries have had to adapt certain working practices and keep supply chain under constant review but have remained profitable. The directors have implemented a comprehensive set of actions to respond to the challenges impacting the supply chain and distribution channels during this period. The full impact of the pandemic remains uncertain as the situation is still unfolding around the world and there still may be further effects for the geographies the company obtains product from. There is currently no expectation of any impairments to investments as a result of COVID 19 but the threat, remote though it is remains.

19. Ultimate parent company and controlling party

Shoo 553 Limited is the immediate parent company, incorporated in England.

The ultimate parent company and ultimate controlling party is Graphic Packaging Holding Company, a company incorporated in the United States of America. The smallest and largest group of which the company is a member and for which group financial statements are prepared is Graphic Packaging Holding Company.

