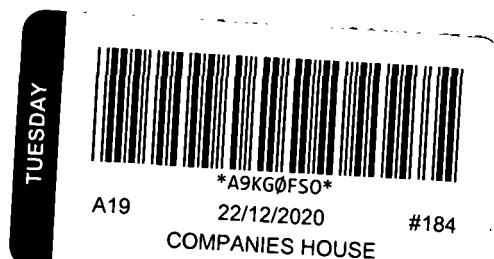

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

Registered number: 09046983

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

COMPANY INFORMATION

Directors	S R Scherger L Tashma E M Van de Rovaart H M W van Moeseke (resigned 20 April 2020) J P Yost (resigned 20 April 2020) Jean-Francois Christian Roche (appointed 21 April 2020)
Registered number	09046983
Registered office	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Independent auditors	Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds West Yorkshire LS11 5QR
Solicitors	Eversheds Sutherland LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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

Introduction

The directors present their strategic report for the period ended 31 December 2019.

Business review

The principal activity of the company during the year was the provision of finance to another group entity. As the nature of the business is the provision of back to back intercompany finance, no KPI's are relevant.

Future developments

The Director's intend to continue operating the business as a provider of intercompany finance.

Principal risks and uncertainties

The company's operations expose it to financial risks, primarily credit and basis point risk in relation to the intercompany loans and counterparties it deals with.

Credit risk

The Company only lends to intercompany counterparties

Basis point risk

The company's loans from and to intercompany counterparties are all of the same duration and at the same interest rates.

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

DocuSigned by:


Jean-François Christian Roche
Director

Date: 8 December 2020

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE 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.

Directors' responsibilities statement

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.

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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

Going concern

No material uncertainties that cast doubt about the ability of the company to continue as a going concern have been identified by the directors.

As disclosed in notes 7 and 8 the company's sole activity is to provide finance to group companies. The loans it provides are advanced and near identical terms to the finance it has raised. The company has no cashflows other than in relation to these two loans.

Brexit is expected to have an impact due to fluctuations in the exchange rate but at this time no financial modelling has been constructed as not enough is known about the possible effects.

While COVID-19 has impacted operations of the companies we provide finance to in 2020, the health & safety of the workforce and continuation of supply to the food industry has been the focus of those companies. 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. Our supply chain remains strong due to our vertically integrated business and sustainable supplies from Europe. 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. Debtors have been managed tightly to ensure bad debts are highly unlikely, however we continue to monitor all customers more closely by understanding the industry sector they supply. Some disruption has occurred to operational installations which were delayed to protect the manufacturing facility and our employees.

Due to the ongoing developments around COVID 19 it is hard to know if there will be any significant ongoing implications to the business other than some degree of variation to the inflationary impact driven by the general down turn in the UK and European economy

As a consequence the directors believe that it is well placed to manage its business risks successfully in either the current UK economic conditions or in the event of significant changes which could make the UK or world economies more uncertain.

The company's parent, Graphic Packaging International Ltd, also has a letter of support from its parent company, Graphic Packaging International Holding Company, LLC

The Directors thus have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2018 - £NIL).

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:

S R Scherger
L Tashma
E M Van de Rovert
H M W van Moeseke (resigned 20 April 2020)
J P Yost (resigned 20 April 2020)

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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

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.

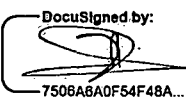
Post balance sheet events

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. Because of restrictions implemented by various Governments to mitigate the spread of COVID-19, the company's debtors have had to adapt certain working practices and keep supply chain under constant review but have remained profitable. Those debtors 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 amounts owed by related companies as a result of COVID 19 but the threat, remote though it is remains.

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 Christian Roche
Director

Date: 8 December 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

Opinion

We have audited the financial statements of Graphic Packaging International UK Finance Ltd for the year ended 31 December 2019 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 12, 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 result 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 11 of the financial statements, which describe the economic and social consequences the company's debtors 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 1-7), 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 UK FINANCE 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 7, 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.

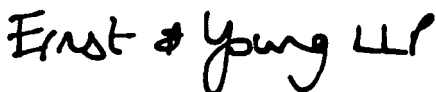
Auditor's responsibilities for the audit of the financial statements

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)

8 December 2020

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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

	Note	2019 £000	2018 £000
Interest receivable and similar income	4	(2,592)	(2,445)
Interest payable and similar expenses	5	2,592	2,445
Profit before tax		-	-
Profit for the financial year		-	-

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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

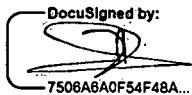
	Note	2019 £000	2018 £000
Total comprehensive income for the year		-	-

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED
REGISTERED NUMBER:09046983

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Current assets			
Debtors: amounts falling due within one year	7	48,786	46,194
		<u>48,786</u>	<u>46,194</u>
Creditors: amounts falling due within one year	8	(48,786)	(46,194)
		<u>-</u>	<u>-</u>
Net current assets		-	-
		<u>-</u>	<u>-</u>
Total assets less current liabilities		-	-
		<u>-</u>	<u>-</u>
Net assets		-	-
		<u>-</u>	<u>-</u>
Capital and reserves		-	-
		<u>-</u>	<u>-</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 Christian Roche
Director

Date: 8 December 2020

The notes on pages 14 to 18 form part of these financial statements.

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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

	Called up share capital £000	Total equity £000
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Total transactions with owners	-	-

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

1. Accounting policies

1.1 Basis of preparation of financial statements

Graphic Packaging International UK Finance 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 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.

The following principal accounting policies have been applied:

1.2 Going concern

No material uncertainties that cast doubt about the ability of the company to continue as a going concern have been identified by the directors.

As disclosed in notes 7 and 8 the company's sole activity is to provide finance to group companies. The loans it provides are advanced on near identical terms to the finance it has raised. The company has no cashflows other than in relation to these two loans.

Brexit is expected to have an impact due to fluctuations in the exchange rate but at this time no financial modelling has been constructed as not enough is known about the possible effects.

While COVID-19 has impacted operations of the companies we provide finance to in 2020, the health & safety of the workforce and continuation of supply to the food industry has been the focus of those companies. 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. Our supply chain remains strong due to our vertically integrated business and sustainable supplies from Europe. 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. Debtors have been managed tightly to ensure bad debts are highly unlikely, however we continue to monitor all customers more closely by understanding the industry sector they supply. Some disruption has occurred to operational installations which were delayed to protect the manufacturing facility and our employees.

Due to the ongoing developments around COVID 19 it is hard to know if there will be any significant ongoing implications to the business other than some degree of variation to the inflationary impact driven by the general down turn in the UK and European economy. As a consequence the directors believe that it is well placed to manage its business risks successfully in either the current UK economic conditions or in the event of significant changes which could make the UK or world economies more uncertain. The company's parent, Graphic Packaging International Ltd, also has a letter of support from its parent company, Graphic Packaging International Holding Company, LLC.

The Directors thus have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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

1. Accounting policies (continued)

1.3 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.

1.4 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.

1.5 Interest income and interest payable

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

Interest payable is recognised in the Profit and Loss Account using the effective interest method.

1.6 Taxation

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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

2. Operating profit

The audit fee for the business is paid by another group company.

3. Directors' remuneration

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.

4. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from Parent	(2,592)	(2,445)
	<u>(2,592)</u>	<u>(2,445)</u>

5. Interest payable and similar expenses

	2019 £000	2018 £000
Interest payable from Parent	(2,592)	(2,445)
	<u>(2,592)</u>	<u>(2,445)</u>

6. Taxation

	2019 £000	2018 £000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £000	2018 £000
Effects of:		
Total tax charge for the year	-	-

Factors that may affect future tax charges

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.

7. Debtors

	2019 £000	2018 £000
Intercompany loans - amounts owed by parent undertakings	48,786	46,194
	<u>48,786</u>	<u>46,194</u>

The intercompany loan carries interest at 5.5% per annum and was originally repayable after five years. The arrangement automatically renews each consecutive year unless written notice of termination is given by either party. The loan can become repayable on demand if the interest is not paid within 30 days of the due date. Although no interest payments have been made the lender has not opted to make the loan repayable on demand. This loan has been reclassified from long term to current in 2018.

8. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	48,786	46,194
	<u>48,786</u>	<u>46,194</u>

9. Share capital

2019	2018
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GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

9. Share capital (continued)

	£000	£000
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary Shares share of £1.00	-	-
	<u> </u>	<u> </u>

10. Related party transactions

The Company has taken advantage of the exemption, as permitted by paragraph 1(A) of chapter 33 of FRS102, 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.

11. 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. Due to restrictions implemented by various Governments to mitigate the spread of COVID-19, the company's debtors have had to adapt certain working practices and keep supply chain under constant review but have remained profitable. Those debtors 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 amounts owed by related companies as a result of COVID 19 but the threat, remote though it is remains.

12. Ultimate parent company and controlling party

The Company's immediate parent undertaking is Graphic Packaging International Ltd, a company incorporated in England and Wales. The ultimate parent company is Graphic Packaging Holding Company, a company incorporated in the United States of America. The smallest and largest of which the company is a member and for which group financial statements are prepared is Graphic Packaging Holding Company. A copy of the financial statements can be obtained from:

Graphic Packaging International Ltd
 Filwood Road
 Fishponds
 Bristol
 BS16 3SB