Registered number: 06371607

GPI HIGHBRIDGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	Tomas Forsgard Leif Asp
Registered number	06371607
Registered office	C/O Corporation Service Company (UK) Limited 5 Churchill Place 10th Floor London E14 5HU
Independent auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors present their strategic report for the year ended 31 December 2022.

GPI Highbridge Limited is a long-established manufacturer of unprinted barrier plastic films primarily to the fresh and processed meat and medical markets. It sells mainly into the UK & Ireland and Continental Europe.

The Company additionally acts as a trading intermediary for products sold into the UK & Ireland from its group Flexibles Division plants in Sweden.

Formely known as AR Packaging Highbridge Ltd, the company is a subsidiary of the Swedish company GPI International AB. Its ultimate parent company, Graphic Packaging Holding Company, is a NYSE listed company that specialises in sustainable fibre-based consumer packaging.

Financial key performance indicators

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

	2022	2021	Change
	£'000	£'000	%
Turnover	10,655	8,189	30%
Gross Profit	2,477	2,215	12%
Operating Profit	380	545	-30%
Profit After Tax	322	444	-27%
Net Current Assets	5,106	4,948	3%
Average Number of Employees	28	29	-3%

The Company's financial performance for 2022 was dominated by unprecedented inflationary price increases in raw materials.

A global shortage of raw material following the easing of Coronavirus restrictions, followed by the commencement of the Ukraine conflict in February 2022, added significant price pressure and supply issues throughout the first half of 2022. Raw material prices reached a peak in the summer of 2022.

Through its strong relationships with key suppliers, the Company was able to secure its raw material requirements to serve its customers on time and in full throughout the year. All raw material price increases were successfully passed on to its customers.

The Company is registered for the new Plastic Packaging Tax which the government introduced on 1st April 2022 for plastic imported or manufactured products that do not contain 30% recycled content. This cost has also been passed on to our customers through higher selling prices.

Selling price increases resulted in Turnover ending the year 30% higher than in 2021, and Gross profit increased by 12%.

Raw material supply issues eased going into 2023 and end use customer demand reduced as the cost of living crisis hit on the back of high worldwide inflation. Raw material prices have reduced throughout the first half of 2023 and coupled with weakening demand and high energy and inflationary costs, the Company has seen a downward impact on its profitability.

Through extensive innovation, the Company is exploring significant opportunities both within the Graphic Packaging group and externally in order to recover and improve its profitability going forward.

The Company's standard terms and conditions are agreed in advance with both suppliers and customers of goods and services. The Company's policy is to adhere to the standard terms unless exceptions are mutually agreed.

The Company continues to benefit from an experienced and skilled workforce, ongoing accreditations of ISO 9001, ISO 14001, BRC Global Standard for Packaging & Packaging Materials (AA+ rating). It has, excellent key customer and supplier relationships and continues the innovation of existing and new products.

The Company continues to generate a healthy positive cash flow with our cash balance at 2022 standing at £2,206k (2021: £2,953k).

Net current assets increased to £5,106k (2021: £4,948k).

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Employees

Staffing levels decreased during 2022 vs 2021, with an average of 28 employees (2021: 29). Payroll costs amounted to £1,507k (2021: £1,533k).

Principal risks and uncertainties

Continued high UK inflation will impact on the Company's costs and increase the risk of not maintaining profitability.

The environmental shift to recyclable material will continue with the Extended Producer Responsibility for packaging waste scheme coming into effect in 2024. The majority of the Company's current product portfolio is not recyclable which poses a risk to future profitability.

Whilst the Company is progressing significant developments for both recyclable material and barrier lining material for internal group supply, the outcome of these developments is not certain.

With a significant number of sales and purchases in Euros, rapid exchange rate movements will continue to be a risk to profitability.

The majority of the Company's revenues are derived from stable organisations and group undertakings, therefore, the credit risk is considered to be small. Credit risk is managed by closely monitoring its customers.

Where the Company assesses a potential credit risk, this is dealt with either by up-front payment prior to shipment of goods or by other credit risk mitigation measures.

Director's statement of compliance with duty to promote the success of the Company

The Directors of GPI Highbridge Limited must act in accordance with a set of general rules detailed in the Companies Act 2006. This includes 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 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 so continuously interacts in a responsible manner so as to 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, whilst 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 on a regular basis, in which future plans are discussed and any associated risks.

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.

WHO? STAKEHOLDER GROUP	WHY?	HOW?	WHAT?	OUTCOMES AND ACTIONS
Our Investors Graphic Packaging Holding Company (GPHC) is our ultimate parent and is our main provider of capital funding.	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. Compliance with Treasury and Dividend policy.	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. The Treasury and Tax departments in the US regularly review the liquidity position in Europe, of which this Company is the parent.	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: - ⇨ Testing the design and operation of financial controls within the Sarbanes-Oxley financial control framework. ⇨ Treasury policy. ⇨ Dividends policy.	⇨ Internal audits are conducted on a regular basis. ⇨ Process improvements are documented and reviewed on a regular basis. ⇨ 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.
Our Suppliers A significant proportion of our main raw material is purchased from external suppliers based in Europe. These materials are sourced from vendors with whom it is not uncommon for the business relationship to be mature and strategic. Key metrics: - ⇨ Availability of sustainable certified products. ⇨ Monitoring of the integrity of contract commitments, in particular relating to volume commitments and applicable commercial conditions.	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.	⇨ Direct engagement via a centralised procurement function. ⇨ Contracts and terms of business. ⇨ Long term business relationships.	⇨ Impact of market availability of raw materials post Covid and significant cost inflation; working with suppliers to ensure consistent supply of materials with commercial conditions managed appropriately. ⇨ Other topics including responsible procurement, trust, and ethics. Supplier code of conduct. ⇨ Impact of Brexit and wider supply chain disruption: working with our suppliers to minimise business friction and manage inflation.	⇨ Maintain regular dialogue with suppliers to understand and manage supply chain and inflation risks.
Our People We define workforce as the combination of employees and contractors. Key metrics: - ⇨ Board - 50% Female (2), 50% Male (2). Gender Pay Gap reporting - available by in scope legal entities.	Our workforce is an important asset and plays 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.	⇨ Code of Conduct sets the culture. ⇨ Mid-year plans critical components - talent acquisition, succession, development, and diversity and inclusion strategies. ⇨ Performance Management System – Success Factors	⇨ Physical working conditions and environment (Health and Safety). ⇨ Opportunities for development and training. ⇨ Communication. ⇨ Health and Safety.	⇨ The Company has an established flexible working policy. ⇨ Mental health and wellbeing programme - 24/7 confidential helpline. ⇨ Compulsory annual Code of Business Conduct and Ethics training.

WHO? STAKEHOLDER GROUP	WHY?	HOW?	WHAT?	OUTCOMES AND ACTIONS
		with clearly defined goals. ⇨ Engagement with unions. ⇨ Intranet, newsletters, presentations, email, notices, and post. ⇨ Engagement survey conducted for all sites.		⇨ The Company has increased internal and external training opportunities. ⇨ Kudos recognition rewards and long service awards. ⇨ Gender Pay Reporting issued on company website. ⇨ Quarterly CEO update via internal communications.
Our Customers Our customers range from small, medium, and large food manufacturers to retailers as well as associate GPI companies.	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.	⇨ Direct engagement with our customers to support their critical business objectives. ⇨ Contracts and terms of business. ⇨ Communication through GPI Website. ⇨ Industry associations & exhibitions.	⇨ Product innovation and development (environmental, sustainability). ⇨ Market conditions, customer service, value optimisation and product quality.	⇨ 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. ⇨ Work with customers during raw material shortages to ensure sufficient allocations of Board were available to service their demands.
Our Communities and Environment 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.	⇨ Focus on the Streamlined Energy and Carbon Reporting Framework (SECR). ⇨ Charity related fundraising.	⇨ Reporting on Energy and Carbon Reporting Framework (SECR) metrics. ⇨ Supporting local charities. ⇨ Apprenticeships.	⇨ Engagement with manufacturing plants ⇨ Software installation. ⇨ ESOS reporting. ⇨ The Company encourages employees to support local charities. ⇨ Employment opportunities as an apprentice upon leaving full time education and continue work based education.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved by the board on 28 February 2024 and signed on its behalf.

Tomas Forsgard
Tomas Forsgard (Feb 28, 2024 12:18 GMT+2)

Tomas Forsgard
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the 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 United Kingdom Accounting Standards, comprising FRS 102 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Principal activities

GPI Highbridge Limited is a subsidiary of the Swedish company GPI International AB (itself part of Graphic Packaging Holding Company, a NYSE listed company).

Directors

The Directors who served during the year were:

Tomas Forsgard
Leif Asp

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The Company has sufficient financial resources based on forecasts and current expectations of future sector conditions. The new ownership and subsequent integration into Graphic Packaging provides a number of significant synergy opportunities for further growth. As a consequence, the Board believes that the Company is well placed to manage their business risks successfully. The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing these financial statements.

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's 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 further financial support to continue in operational existence for the foreseeable future. Thus, the financial statements have been prepared on a going concern basis.

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.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 February 2024 and signed on its behalf.

Tomas Forsgard
Tomas Forsgard (Feb 28, 2024 17:18 GMT+2)

Tomas Forsgard
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GPI HIGHBRIDGE LTD

Report on the audit of the financial statements

Opinion

In our opinion, GPI Highbridge Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies..

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, health and safety legislation and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- testing accounting estimates that we deemed to present a risk of material misstatement, including assessing

the data, methods and assumptions applied by management in the development of each estimate;
- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations; and
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting
Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Tom Yeates (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Leeds

LS1 4DL

Date: 28 February 2024

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	*Restated (note 19)* *2021* *£000*
Turnover	4	**10,655**	*8,189*
Cost of sales		**(8,178)**	*(5,974)*
Gross profit		**2,477**	*2,215*
Distribution costs		**(266)**	*(272)*
Administrative expenses		**(1,831)**	*(1,398)*
Operating profit	5	**380**	*545*
Interest receivable and similar income		**9**	*10*
Profit before tax		**389**	*555*
Tax on profit	8	**(67)**	*(111)*
Profit for the financial year		**322**	*444*

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	Restated (note 19) 2021 £000
Fixed assets			
Tangible assets	9	**554**	*323*
		554	*323*
Current assets			
Stocks	10	**1,594**	*1,468*
Debtors: amounts falling due within one year	11	**2,615**	*1,873*
Cash at bank and in hand		**2,206**	*2,953*
		6,415	*6,294*
Creditors: amounts falling due within one year	12	**(1,309)**	*(1,346)*
Net current assets		**5,106**	*4,948*
Total assets less current liabilities		**5,660**	*5,271*
Provisions for liabilities			
Deferred tax	13	**(101)**	*(34)*
		(101)	*(34)*
Net assets		**5,559**	*5,237*
Capital and reserves			
Called up share capital	14	**1,500**	*1,500*
Profit and loss account		**4,059**	*3,737*
Total equity		**5,559**	*5,237*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 February 2024.

Tomas Forsgard
Tomas Forsgard (Feb 28, 2024 12:18 GMT+2)

Tomas Forsgard
Director

The notes on pages 16 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	*Profit and* loss account	Total equity
	£000	£000	£000
At 1 January 2021 (restated, note 19)	**1,500**	**3,293**	**4,793**
Comprehensive income for the year			
Profit for the year (restated, note 19)	-	**444**	**444**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	**444**	**444**
Total transactions with owners	-	-	-
At 31 December 2021	**1,500**	**3,737**	**5,237**
Comprehensive income for the year			
Profit for the year	-	**322**	**322**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	**322**	**322**
Total transactions with owners	-	-	-
At 31 December 2022	**1,500**	**4,059**	**5,559**

1. General information

GPI Highbridge Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England, UK. The registered office is C/O Corporation Service Company (UK) Limited, 5 Churchill Place, 10th Floor, London, E14 5HU.

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 Holding Company, 1500 Riveredge Parkway, Suite 100, Atlanta, Georgia 30328, USA. 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

2. Accounting policies

2.1 Basis of preparation of 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 ('FRS 102') and the Companies Act 2006.

The Company previously prepared its financial statements under FRS 101 Reduced Disclosure Frameowrk. Going forward the company has chosen to prepare its financial statements under FRS 102 and these are the first financial statements of the Company prepared on that basis..

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 3).

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 Going concern

The Company has sufficient financial resources based on forecasts and current expectations of future sector conditions. The new ownership and subsequent integration into Graphic Packaging provides a number of significant synergy opportunities for further growth. As a consequence, the Board believes that the Company is well placed to manage their business risks successfully. The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing these financial statements.

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's 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 further financial support to continue in operational existence for the foreseeable future. Thus, the financial statements have been prepared on a going concern basis.

2.3 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

2.6 Interest income

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

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Accounting policies (continued)

2.8 *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.

2.9 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.

2.10 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.10 Tangible assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 5 - 15 years
Fixtures and fittings	- 3 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 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.

2.13 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.

2.14 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. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

2. Accounting policies (continued)

2.16 Financial instruments (continued)

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the

2. Accounting policies (continued)

2.16 Financial instruments (continued)

risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

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

Critical accounting judgements in applying the Company's accounting policies.

The key accounting judgement that has a significant impact on the financial statements of the Company in respect of going concern, as described in the accounting policy in note 2.1.

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 9 for the carrying amount of the property plant and equipment and note 2.1 for the useful economic lives for each class of assets.

Impairment of debtors

The Company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Manufactured goods	10,655	8,189
	10,655	8,189

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	6,839	6,029
Rest of Europe	3,816	2,160
	10,655	8,189

5. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Fees payable to the company's auditors for the audit of the company's financial statements	26	14
Exchange differences	16	-
Other operating lease rentals	181	179
Depreciation of tangible assets	63	45

6. Employees

Staff costs were as follows:

	2022 £000	*2021 £000*
Wages and salaries	**1,273**	*1,303*
Social security costs	**140**	*134*
Cost of defined contribution scheme	**94**	*96*
	1,507	*1,533*

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

	2022 No.	*2021 No.*
Manufacturing	**12**	*12*
Sales & Distribution	**8**	*7*
Administration	**8**	*10*
	28	*29*

7. Directors' remuneration

No directors were on the payroll of the Company during the year ended 31 December 2022 (2021: none). All directors' remuneration costs are borne by GPI Flexibles AB. With respect to the duties relating to their services to the Company, remuneration amounted to £57,500 (2021: £55,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Tax on profit

	2022 £000	*2021* *£000*
Corporation tax		
Current tax on profits for the year	-	*75*
	-	*75*
Total current tax	-	*75*
Deferred tax		
Origination and reversal of timing differences	**67**	*36*
Total deferred tax	**67**	*36*
Taxation on profit	**67**	*111*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022 £000	*2021* *£000*
Profit before tax	**389**	*555*
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**74**	*105*
Effects of:		
Expenses not deductible for tax purposes	-	*3*
Capital allowances for year in excess of depreciation	**(17)**	*(6)*
Adjustments to tax charge in respect of prior periods	-	*1*
Changes in provisions leading to an increase in the tax charge	**16**	*8*
Group relief claimed	**(6)**	-
Total tax charge for the year	**67**	*111*

8. Tax on profit (continued)

Factors that may affect future tax charges

An increase to the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted in May 2021. This will increase the Company's future current tax charge accordingly. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9. Tangible assets (restated as per note 19)

	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation			
At 1 January 2022	1,739	329	2,068
Additions	285	9	294
At 31 December 2022	2,024	338	2,362
Depreciation			
At 1 January 2022	1,487	258	1,745
Charge for the year on owned assets	44	19	63
At 31 December 2022	1,531	277	1,808
Net book value			
At 31 December 2022	493	61	554
At 31 December 2021	*252*	*71*	*323*

10. Stocks

	2022 £000	*2021 £000*
Raw materials and consumables	544	*463*
Work in progress (goods to be sold)	444	*520*
Finished goods and goods for resale	606	*485*
	1,594	*1,468*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Debtors: amounts falling due within one year

	2022 £000	Restated (note 19) 2021 £000
Trade debtors	**2,173**	*1,671*
Other debtors	**15**	*-*
Prepayments and accrued income	**427**	*202*
	2,615	*1,873*

Amounts owed from group companies are trading balances repayable on demand and are non-interest bearing.

Trade debtors are stated after provisions for impairment of £9k (2021: £12k)

12. Creditors: Amounts falling due within one year

	2022 £000	Restated (note 19) 2021 £000
Trade creditors	**644**	*727*
Amounts owed to group undertakings	**10**	*56*
Corporation tax	**-**	*69*
Other taxation and social security	**173**	*154*
Accruals and deferred income	**482**	*340*
	1,309	*1,346*

Amounts owed to group companies are trading balances repayable on demand and are non-interest bearing.

13. Deferred tax

	2022 £000
At beginning of year	**(34)**
Charged to profit or loss	**(67)**
At end of year	**(101)**

The provision for deferred taxation is made up as follows:

	2022 £000	*2021 £000*
Accelerated capital allowances	**(101)**	*(34)*
	(101)	*(34)*

14. Called up share capital

	2022 £000	*2021 £000*
Authorised, allotted, called up and fully paid		
1,500,000 *(2021 - 1,500,000)* Ordinary shares of £1 each	**1,500**	*1,500*

The holders of ordinary shares are entitled to receive dividends as declared from time to time and each ordinary share is entitled to one vote in meetings of the Company.

15. Pension commitments

The company operates a defined contribution scheme for its' employees. The charge for the year amounts to £94k (2021: £96k) and represents the contributions payable by the company to the fund.

16. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable *operating leases for each of the following periods:*

	2022 £000	*2021 £000*
Within one year	**30**	*160*
Within two to five years	**18**	*47*
	48	*207*

Operating leases are for land, buildings, plant & machinery and motor vehicles.

17. 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.

18. Controlling party

GPI International AB is the immediate parent company, incorporated in Sweden.

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. A copy of the consolidated financial statements can be obtained from:

Graphic Packaging Holding Company
1500 Riveredge Parkway
Suite 100
Atlanta
Georgia 30328
USA

19. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2021. The impact of the transition to FRS 102 is as follows:

	Note	As previously stated 1 Jan 2021 £000	Effect of transition 1 Jan 2021 £000	**FRS 102 (as restated) 1 Jan 2021 £000**	As previously stated 31 Dec 2021 £000	Effect of transition 31 Dec 2021 £000	**FRS 102 (as restated) 31 Dec 2021 £000**
Tangible assets		237		**237**	323		**323**
Right of use assets	1	356	-356	**0**	233	-233	**0**
Fixed assets		**593**	**-356**	**237**	**556**	**-233**	**323**
Current assets		6,076		**6,076**	6,294		**6,294**
Creditors: amounts falling due within one year	2	-1,675	181	**-1,494**	-1,536	190	**-1,346**
Net current assets		**4,401**	**181**	**4,582**	**4,758**	**190**	**4,948**
Total assets less current liabilities		**4,994**	**-175**	**4,819**	**5,314**	**-43**	**5,271**
Creditors: amounts falling due after one year	3	-205	205	**0**	-59	59	**0**
Provisions for liabilities		-27		**-27**	-34		**-34**
Net assets		**4,762**	**30**	**4,792**	**5,221**	**16**	**5,237**
Called up share capital		1,500		**1,500**	1,500		**1,500**
Profit and loss account		3,262	30	**3,292**	3,721	16	**3,737**
Total equity		**4,762**	**30**	**4,792**	**5,221**	**16**	**5,237**

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	Note	As previously stated 31 Dec 2021 £000	Effect of transition 31 Dec 2021 £000	**FRS 102 (as restated)** **31 Dec 2021** **£000**
Turnover		8,189	-	**8,189**
Cost of sales		-5,974	-	**-5,974**
PY gross profit		**2,215**	-	**2,215**
Distribution expenses		-272	-	**-272**
Administrative expenses	4	-1,368	-30	**-1,398**
Operating profit		**575**	-30	**545**
Interest receivable		10	-	**10**
Interest payable	5	-14	14	-
Tax on profit		-111	-	**-111**
Profit on ordinary activities after taxation and for the FY		**460**	**-16**	**444**

Explanation of changes to previously reported profit, balance sheet and equity:

1 Right-of-use assets not recognised.
2 Short term lease liabilities not recognised.
3 Long term lease liabilities not recognised.
4 Lease payments and depreciation on right-of-use assets not recognised.
5 Interest expense not recognised.