

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

FOR

MONDI BIRMINGHAM LIMITED

MONDI BIRMINGHAM LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2025

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MONDI BIRMINGHAM LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2025

DIRECTORS:

Mr S M Ahmad
Mr D J Melville
Mr M Richards
Mr K-M Stoss

SECRETARY:

Mrs J L Hampshire

REGISTERED OFFICE:

Birmingham International Park
Starley Way
Birmingham
West Midlands
B37 7HB

REGISTERED NUMBER:

01259298 (England and Wales)

AUDITORS:

JW Hinks LLP
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

INCORPORATED:

19 May 1976

MONDI BIRMINGHAM LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their strategic report for the year ended 31 December 2025.

PRINCIPAL ACTIVITY

The principal activity of Mondi Birmingham Limited (the 'Company') is the manufacture of corrugated cardboard and the conversion of corrugated board into plain and printed packaging solutions for a range of industrial and commercial customers.

REVIEW OF BUSINESS

During the year ended 31 December 2025 the Company became part of the Mondi Group following its acquisition on 1 April 2025.

Revenue increased from £19.5 million to £22.0 million, reflecting improved sales activity and customer demand. Despite the increase in revenue, the Company reported a loss before taxation of £4.06 million, partly as a result of impairment charges recognised during the year together with depreciation and finance costs associated with right-of-use assets recognised under IFRS 16.

During the year management commenced operational restructuring and cost reduction initiatives designed to improve manufacturing efficiency and reduce the Company's cost base.

The directors remain focused on improving operational performance and increasing sales volumes to return the business to sustainable profitability.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company operates in the corrugated packaging sector and is exposed to a number of commercial and operational risks.

The principal risks identified by the directors are:

- Market demand - reduced customer demand could adversely affect revenue and profitability.
- Cost inflation - increases in raw material, labour and energy costs may adversely affect operating margins.
- Customer concentration - the loss of key customers could have a significant impact on future revenues.
- Operational performance - manufacturing efficiency and production downtime could impact profitability.
- Liquidity - the Company continues to incur losses and is reliant on careful cash flow management together with the ongoing support of the Mondi Group.

The directors monitor these risks on an ongoing basis and have implemented cost reduction initiatives together with commercial strategies designed to improve profitability and strengthen the Company's financial position.

MONDI BIRMINGHAM LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

SECTION 172(1) STATEMENT

This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 ("section 172") when performing their duty to promote the success of the Company for the benefit of its shareholder. As the Company is a wholly-owned subsidiary of the Mondi Group, its immediate parent undertaking and other members of the Group are key stakeholders. Accordingly, the directors have had regard to the interests of the Group when making decisions and have worked closely with the Board and senior management of the Mondi Group following the Company's acquisition on 1 April 2025.

The Company's other principal stakeholders include its employees, customers and suppliers. The directors recognise that maintaining strong relationships with these stakeholders is fundamental to the long-term success of the business. Throughout the year, management has engaged regularly with customers and suppliers through ongoing commercial discussions, operational meetings and contract reviews. Employees are kept informed of business developments through regular management communications and engagement meetings, with feedback encouraged to support continuous operational improvement and the successful integration of the business into the Mondi Group.

For more information on the Mondi Group's approach to stakeholder engagement and its application of section 172, please refer to the Mondi Group Integrated Report and Financial Statements 2025. This document does not form part of these financial statements but provides further information on the Group's engagement with its stakeholders.

FUTURE DEVELOPMENTS

The directors expect 2026 to be a period of continued operational improvement following the Company's integration into the Mondi Group.

Management will continue to focus on increasing production efficiency, reducing operating costs and strengthening relationships with existing and new customers. These initiatives are expected to improve profitability and cash generation over the medium term.

ON BEHALF OF THE BOARD:



Mr D J Melville - Director

25 September 2026

MONDI BIRMINGHAM LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their report with the financial statements of the company for the year ended 31 December 2025.

CHANGE OF NAME

The company passed a special resolution on 1 April 2025 changing its name from Schumacher Packaging Ltd to Mondi Birmingham Limited.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2025.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2025 to the date of this report.

Mr S M Ahmad
Mr D J Melville
Mr M Richards

Other changes in directors holding office are as follows:

Mrs M Wurm - appointed 1 April 2025
Mr B Schumacher - resigned 31 March 2025

Mr K-M Stoss was appointed as a director on 27 February 2026, so after 31 December 2025 but prior to the date of this report.

Mrs M Wurm ceased to be a director on 26 February 2026, so after 31 December 2025 but prior to the date of this report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

MONDI BIRMINGHAM LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

AUDITORS

The Company intends to appoint a new statutory auditor following the conclusion of the current audit engagement. The appointment of the new auditor is currently being finalised and the necessary resolution will be proposed in accordance with the Companies Act 2006.

ON BEHALF OF THE BOARD:

A handwritten signature in dark ink, appearing to read 'D. Melville', is written over a horizontal dotted line.

Mr D J Melville - Director

25 September 2026

MONDI BIRMINGHAM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 UK-adopted international accounting standards. 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MONDI BIRMINGHAM LIMITED
PREVIOUSLY KNOWN AS SCHUMACHER PACKAGING LTD

Opinion

We have audited the financial statements of Mondi Birmingham Limited (the 'company') for the year ended 31 December 2025 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; 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 Auditors' responsibilities for the audit of the financial statements section of our report. 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.

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the notes to the financial statements concerning the company's ability to continue as a going concern.

The company realised a net loss before tax of £4,064,468 during the year ended 31 December 2025, and it had net liabilities of £383,694 at the balance sheet date.

These conditions indicate the existence of some uncertainty which may cast doubt over the company's ability to continue as a going concern. The Mondi Group has indicated its intention to provide financial assistance to the Company as explained in the "Going concern" note to the financial statements. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Conclusions relating to going concern

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.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MONDI BIRMINGHAM LIMITED
PREVIOUSLY KNOWN AS SCHUMACHER PACKAGING LTD

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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 the Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page six, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MONDI BIRMINGHAM LIMITED
PREVIOUSLY KNOWN AS SCHUMACHER PACKAGING LTD

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 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.

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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.
- Observing the physical stock count.
- Confirming accounts receivable and other accounts with a third party.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MONDI BIRMINGHAM LIMITED
PREVIOUSLY KNOWN AS SCHUMACHER PACKAGING LTD

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 a Report of the Auditors 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.



James Cruse FCA, FCCA, BSC (ECON) HONS (Senior Statutory Auditor)
for and on behalf of JW Hinks LLP
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

25 September 2026

MONDI BIRMINGHAM LIMITED**STATEMENT OF PROFIT OR LOSS**
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	31/12/25 £	31/12/24 £
CONTINUING OPERATIONS			
Revenue		22,022,365	19,529,072
Cost of sales		<u>(19,374,679)</u>	<u>(17,984,096)</u>
GROSS PROFIT		2,647,686	1,544,976
Distribution costs		(339,202)	(493,430)
Administrative expenses		<u>(5,561,066)</u>	<u>(3,745,834)</u>
OPERATING LOSS		(3,252,582)	(2,694,288)
Finance costs	5	(811,886)	(804,900)
Finance income	5	<u>-</u>	<u>2,279</u>
LOSS BEFORE INCOME TAX	6	(4,064,468)	(3,496,909)
Income tax	7	<u>92,000</u>	<u>518,000</u>
LOSS FOR THE YEAR		<u><u>(3,972,468)</u></u>	<u><u>(2,978,909)</u></u>

The notes form part of these financial statements

MONDI BIRMINGHAM LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	31/12/25 £	31/12/24 £
LOSS FOR THE YEAR	(3,972,468)	(2,978,909)
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss:		
Income tax relating to item that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(3,972,468)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(3,972,468)</u>	<u>(2,978,909)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2025

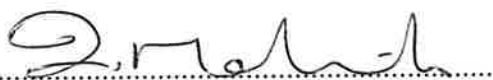
	Notes	31/12/25 £	31/12/24 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	9	561,045	-
Property, plant and equipment	10	2,377,648	3,383,142
Right-of-use			
Property, plant and equipment	10, 16	<u>15,507,182</u>	<u>16,983,434</u>
		<u>18,445,875</u>	<u>20,366,576</u>
CURRENT ASSETS			
Inventories	11	1,524,526	880,661
Trade and other receivables	12	5,949,551	5,067,821
Cash and cash equivalents	13	<u>920,157</u>	<u>643,788</u>
		<u>8,394,234</u>	<u>6,592,270</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	12,298,606	6,959,713
Financial liabilities - borrowings			
Lease liabilities	15, 16	<u>3,236,930</u>	<u>2,277,175</u>
		<u>15,535,536</u>	<u>9,236,888</u>
NET CURRENT LIABILITIES		<u>(7,141,302)</u>	<u>(2,644,618)</u>
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Lease liabilities	15, 16	10,650,767	14,725,364
Deferred tax	18	-	92,000
Provisions	17	<u>1,037,500</u>	<u>-</u>
		<u>11,688,267</u>	<u>14,817,364</u>
NET (LIABILITIES)/ASSETS		<u><u>(383,694)</u></u>	<u><u>2,904,594</u></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2025

	Notes	31/12/25 £	31/12/24 £
SHAREHOLDERS' EQUITY			
Called up share capital	19	1,000	1,000
Capital contribution reserve	20	561,045	-
Retained earnings	20	<u>(945,739)</u>	<u>2,903,594</u>
TOTAL EQUITY		<u><u>(383,694)</u></u>	<u><u>2,904,594</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2026 and were signed on its behalf by:



Mr D J Melville - Director

The notes form part of these financial statements

MONDI BIRMINGHAM LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Called up share capital £	Retained earnings £	Capital contribution reserve £	Total equity £
Balance at 1 January 2024	1,000	8,545,291	-	8,546,291
Changes in equity				
IFRS transition adjustment	-	(2,662,788)	-	(2,662,788)
Total comprehensive income	-	<u>(2,978,909)</u>	-	<u>(2,978,909)</u>
Balance at 31 December 2024	<u>1,000</u>	<u>2,903,594</u>	-	<u>2,904,594</u>
Changes in equity				
Capital contribution arising on acquisition	-	-	684,180	684,180
Transfers	-	123,135	(123,135)	-
Total comprehensive income	-	<u>(3,972,468)</u>	-	<u>(3,972,468)</u>
Balance at 31 December 2025	<u>1,000</u>	<u>(945,739)</u>	<u>561,045</u>	<u>(383,694)</u>

The notes form part of these financial statements

MONDI BIRMINGHAM LIMITED**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31 DECEMBER 2025

		31/12/25	31/12/24
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(171,328)	(719,883)
Lease interest paid		<u>(811,886)</u>	<u>(804,900)</u>
Net cash from operating activities		<u>(983,214)</u>	<u>(1,524,783)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(694,814)	(3,338,842)
Sale of tangible fixed assets		-	64,314
Interest received		<u>-</u>	<u>2,279</u>
Net cash from investing activities		<u>(694,814)</u>	<u>(3,272,249)</u>
Cash flows from financing activities			
Payment of lease liabilities		(3,114,842)	(679,749)
Increase in amounts owed to group		5,069,239	247,418
New hire purchase in year		<u>-</u>	<u>5,708,611</u>
Net cash from financing activities		<u>1,954,397</u>	<u>5,276,280</u>
Increase in cash and cash equivalents		<u>276,369</u>	<u>479,248</u>
Cash and cash equivalents at beginning of year	2	<u>643,788</u>	<u>164,540</u>
Cash and cash equivalents at end of year	2	<u><u>920,157</u></u>	<u><u>643,788</u></u>

The notes form part of these financial statements

MONDI BIRMINGHAM LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31/12/25	31/12/24
	£	£
Loss before income tax	(4,064,468)	(3,496,909)
Depreciation and amortisation charges	3,800,106	3,868,847
Profit on disposal of fixed assets	-	(64,314)
Loss on revaluation of fixed assets	537,089	-
Finance costs	811,886	804,900
Finance income	<u>-</u>	<u>(2,279)</u>
	1,084,613	1,110,245
(Increase)/decrease in inventories	(643,865)	194,964
Increase in trade and other receivables	(881,730)	(419,051)
Increase/(decrease) in trade and other payables	<u>269,654</u>	<u>(1,606,041)</u>
Cash generated from operations	<u>(171,328)</u>	<u>(719,883)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2025

	31/12/25	1/1/25
	£	£
Cash and cash equivalents	<u>920,157</u>	<u>643,788</u>

Year ended 31 December 2024

	31/12/24	1/1/24
	£	£
Cash and cash equivalents	<u>643,788</u>	<u>164,540</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. STATUTORY INFORMATION

Mondi Birmingham Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

These financial statements are the Company's first annual financial statements prepared in accordance with UK-adopted International Financial Reporting Standards.

The Company previously prepared its financial statements in accordance with Financial Reporting Standard 102 ("FRS 102").

The date of transition to IFRS was 1 January 2024.

In preparing these financial statements the Company has applied IFRS 1 First-time Adoption of International Financial Reporting Standards. The accounting policies adopted are consistent with those expected to apply in future periods.

The principal adjustments arising on transition from FRS 102 relate to:

- recognition of right-of-use assets and lease liabilities under IFRS 16;
- derecognition of lease rentals previously recognised as operating expenses;
- recognition of depreciation of right-of-use assets;
- recognition of finance costs on lease liabilities;
- associated deferred taxation adjustments.

The effect of transition from FRS 102 to IFRS on equity and profit for the comparative period is disclosed in the notes.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Going concern

The financial statements have been prepared on the going concern basis.

The company realised a net loss before tax of £4,064,468 during the year ended 31 December 2025, and it had net liabilities of £383,694 at the balance sheet date.

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the continued support of its parent undertaking, Mondi Investments Limited to ensure adequate facilities are available for the company to discharge its liabilities as they fall due and will not demand repayment of intercompany balances which might be due. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue indefinitely, although, at the date of approval of these financial statements, the directors are in receipt of a letter dated 17 September 2026 indicating that support will be available for a period of at least twelve months from the date of approval of these financial statements.

Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be easily measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Customer relationships

Customer relationship intangible assets recognised following acquisition are initially measured at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over the estimated useful economic life of the asset. The useful economic life is reviewed annually and adjusted prospectively where appropriate.

Customer relationships are amortised over 15 years on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure directly attributable to bringing the asset into working condition for its intended use.

Subsequent expenditure is capitalised only where it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives on a straight-line basis to their estimated residual values of nil or scrap value. Depreciation commences when the assets are ready for their intended use.

Residual values and useful lives are reviewed at least annually and adjusted, when climate changes or other factors are anticipated to have a material impact. Estimated useful lives range from 3 years to 25 years for items of plant and equipment and other categories and up to a maximum of 40 years for buildings.

Right-of-use assets are depreciated over:

- Leasehold property - remaining lease term
- Plant and machinery - shorter of the lease term and useful economic life
- Motor vehicles - shorter of the lease term and useful economic life

Residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted prospectively where appropriate.

Property, plant and equipment are reviewed for indicators of impairment at each reporting date. Where such indicators exist, the recoverable amount of the asset or cash-generating unit is estimated. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. Impairment losses are recognised immediately within operating profit in the Statement of Profit or Loss. Where appropriate, impairment losses are subsequently reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised.

Following the acquisition of the Company by the Mondi Group during the year, a formal assessment was made of the carrying amounts of property, plant and equipment to align the Company's accounting records with the Group's accounting policies and valuation methodologies. As part of this exercise, the recoverable amount of certain assets was assessed as at 1 April 2025.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

The review identified that the carrying value of certain property, plant and equipment exceeded their recoverable amount. Accordingly, an impairment charge of £448,896 was recognised within operating expenses in the year ended 31 December 2025.

The recoverable amounts were determined with reference to estimated fair value less costs of disposal and available market evidence, together with management's assessment of the future economic benefits expected to be derived from the assets.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition and is determined using the first-in, first-out method.

No material inventory write-downs or reversals of previous write-downs were recognised during the year.

Taxation

Income tax comprises current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from accounting profit because it excludes items of income and expenditure that are taxable or deductible in other periods and items that are never taxable or deductible.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is measured using the tax rates enacted or substantively enacted at the reporting date and expected to apply when the related temporary differences reverse.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Leases

The Company assesses whether a contract is, or contains, a lease at inception. At the commencement date of a lease, the Company recognises a right-of-use asset and a corresponding lease liability.

The lease liability is initially measured at the present value of future lease payments discounted using the interest rate implicit in the lease or, where this cannot readily be determined, the Company's incremental borrowing rate.

Lease payments included in the measurement comprise:

- fixed lease payments;
- variable lease payments that depend on an index or rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of purchase options where reasonably certain to be exercised; and
- termination penalties where the lease term reflects exercise of the termination option.

Right-of-use assets are initially measured at cost comprising:

- the initial lease liability
- lease payments made before commencement
- initial direct costs
- estimated restoration obligations where applicable.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis over the shorter of the lease term and the useful economic life of the underlying asset.

Lease liabilities are subsequently measured using the effective interest method.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Financial liabilities

Financial liabilities comprise trade and other payables, borrowings and lease liabilities.

Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Financial instruments and financial risk management

Financial risk management

The Company is exposed through its operations to the following financial risks:

- credit risk
- liquidity risk
- market risk (interest rate risk).

The Board has overall responsibility for establishing and monitoring the Company's risk management policies.

Credit risk

Credit risk arises principally from trade receivables and cash deposits held with financial institutions.

The Company manages credit risk through established credit control procedures, customer credit assessments and ongoing monitoring of outstanding receivable balances. Cash deposits are held with financial institutions with high credit ratings.

The carrying amount of financial assets represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company manages liquidity through regular cash flow forecasting and monitoring. The Company also benefits from the financial support of the Mondi Group where required.

Interest rate risk

The Company's exposure to interest rate risk principally relates to borrowings and lease liabilities.

Management monitors interest rate movements and considers the Company's exposure to be appropriately managed.

Adoption of acquisition accounting values

Following the acquisition of the Company by the Mondi Group, the Company elected to reflect the acquisition accounting adjustments determined by the acquirer within its separate financial statements. Accordingly, the carrying amounts of certain assets and liabilities have been adjusted to reflect the fair values established as part of the acquisition accounting exercise.

This resulted in the recognition of identifiable intangible assets, including customer relationships, which were not previously recognised in the Company's financial statements. These assets are subsequently measured in accordance with the Company's accounting policies for intangible assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Adoption of new and revised standards

The following new standards and amendments to existing standards are not yet effective for the year ended 31 December 2025 and have not been early adopted by the Company:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1 - Non-current Liabilities with Covenants.
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback.
- Amendments to IAS 21 - Lack of Exchangeability.

The directors have reviewed the requirements of these standards and amendments and do not expect their adoption to have a material impact on the Company's financial position or financial performance. The Company will apply the standards and amendments from their effective dates.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Critical accounting judgements

In applying the Company's accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Lease term determination

Judgement is exercised in determining the lease term where extension or termination options exist. Management considers all relevant economic factors when assessing whether it is reasonably certain that such options will be exercised.

Recognition of provisions

Judgement is required in determining whether a present obligation exists requiring recognition of a provision and in assessing the most appropriate estimate of the expected future expenditure.

Deferred tax assets

Judgement is applied in determining whether deferred tax assets should be recognised based upon the probability of future taxable profits against which deductible temporary differences can be utilised.

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported carrying amounts of assets and liabilities. Actual results could differ from these estimates.

Dilapidation provision

The provision for dilapidation obligations is based upon management's estimate of the future costs required to restore leased properties in accordance with lease agreements. The estimate is based on expected future construction costs, contractual obligations and the expected timing of settlement. Actual costs may differ from those estimated.

Useful economic lives

Property, plant and equipment and right-of-use assets are depreciated over their estimated useful lives. The estimation of useful lives requires management judgement based upon expected usage, technical obsolescence and maintenance programmes.

Inventory provisions

Inventory is carried at the lower of cost and net realisable value. Management estimates the level of obsolete and slow-moving inventory by reference to historical usage and anticipated future demand.

Customer relationships

The valuation and impairment assessment of customer relationships requires management to make estimates regarding future revenues, customer retention rates, expected margins and discount rates. Changes in these assumptions could result in material changes to the carrying value of the asset.

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

4. EMPLOYEES AND DIRECTORS

	31/12/25	31/12/24
	£	£
Wages and salaries	5,068,624	4,823,393
Social security costs	580,724	479,383
Other pension costs	356,474	331,816
	<u>6,005,822</u>	<u>5,634,592</u>

The average number of employees during the year was as follows:

	31/12/25	31/12/24
Management and administration	29	19
Production	87	96
Sales	3	5
	<u>119</u>	<u>120</u>

	31/12/25	31/12/24
	£	£
Directors' remuneration	298,216	218,029
Directors' pension contributions to money purchase schemes	<u>11,535</u>	<u>8,740</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	31/12/25	31/12/24
	£	£
Emoluments etc	112,512	117,408
Pension contributions to money purchase schemes	<u>4,778</u>	<u>6,142</u>

5. NET FINANCE COSTS

	31/12/25	31/12/24
	£	£
Finance income:		
Interest receivable from group	<u>-</u>	<u>2,279</u>

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

5. NET FINANCE COSTS - continued

	31/12/25 £	31/12/24 £
Finance costs:		
Interest on lease liabilities	701,980	684,900
Interest payable to group comp	229,906	-
Other interest	(120,000)	120,000
	<u>811,886</u>	<u>804,900</u>
Net finance costs	<u>811,886</u>	<u>802,621</u>

6. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	31/12/25 £	31/12/24 £
Cost of inventories recognised as expense	9,773,498	8,305,375
Depreciation - owned assets	1,059,895	1,713,407
Depreciation - assets on hire purchase contracts	2,705,268	2,155,439
Profit on disposal of fixed assets	-	(64,314)
Customer relationships amortisation	34,943	-
Audit fees	<u>13,500</u>	<u>8,750</u>

7. INCOME TAX

Analysis of tax income

	31/12/25 £	31/12/24 £
Deferred tax credited to the income statement in the year	<u>(92,000)</u>	<u>(518,000)</u>
Total tax income in statement of profit or loss	<u>(92,000)</u>	<u>(518,000)</u>

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

7. INCOME TAX - continued

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/25 £	31/12/24 £
Loss before income tax	<u>(4,064,468)</u>	<u>(3,496,909)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2024 - 25%)	(1,016,117)	(874,227)
Effects of:		
Expenses not deductible for tax purposes	(3,461)	8,220
Adjustments in respect of prior years	79,578	1,093,579
Permanent capital allowances in excess of depreciation	-	(467,290)
IFRS transitional adjustments	-	239,718
Deferred tax loss asset not recognised	940,000	-
Deferred tax movement	<u>(92,000)</u>	<u>(518,000)</u>
Tax income	<u>(92,000)</u>	<u>(518,000)</u>

8. RETIREMENT BENEFIT SCHEMES

	31/12/25 £	31/12/24 £
Charge to profit or loss in respect of defined contribution schemes	<u>356,474</u>	<u>331,816</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

9. INTANGIBLE ASSETS

	Customer relationships £
COST	
Additions	684,180
Impairments	<u>(88,192)</u>
At 31 December 2025	<u>595,988</u>
AMORTISATION	
Amortisation for year	<u>34,943</u>
At 31 December 2025	<u>34,943</u>
NET BOOK VALUE	
At 31 December 2025	<u>561,045</u>

Following the acquisition of the Company by Mondi Group during the year, acquisition accounting values were incorporated into the Company's financial statements to align with Group accounting policies. As part of this exercise, customer relationships were identified as a separately identifiable intangible asset and recognised at fair value.

The customer relationship asset represents the value attributable to established customer relationships and expected future economic benefits arising from those relationships at the acquisition date.

Customer relationships are amortised on a straight-line basis over their estimated useful economic life of 15 years. The useful life has been determined with reference to expected customer retention rates, contractual arrangements and management's expectations regarding future customer relationships.

The fair value of customer relationships at acquisition was determined using an income-based valuation methodology, principally the multi-period excess earnings method ("MPEEM"), which estimates the present value of future cash flows attributable to the customer relationships after deducting contributory asset charges.

Significant assumptions used in the valuation included forecast revenues, customer attrition rates, operating margins and discount rates.

During the year, management performed an impairment assessment of intangible assets following the acquisition of the Company by Mondi Group. As a result of this review, an impairment loss of £88,192 was recognised against the customer relationship asset during the year.

The recoverable amount was determined with reference to management's forecasts of future cash flows and other available market evidence.

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

10. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2025	-	25,820,962	938,260	26,759,222
Additions	1,037,500	671,246	23,567	1,732,313
Impairments	-	(441,450)	(7,446)	(448,896)
At 31 December 2025	<u>1,037,500</u>	<u>26,050,758</u>	<u>954,381</u>	<u>28,042,639</u>
DEPRECIATION				
At 1 January 2025	-	5,915,704	476,942	6,392,646
Charge for year	<u>487,323</u>	<u>3,085,729</u>	<u>192,111</u>	<u>3,765,163</u>
At 31 December 2025	<u>487,323</u>	<u>9,001,433</u>	<u>669,053</u>	<u>10,157,809</u>
NET BOOK VALUE				
At 31 December 2025	<u>550,177</u>	<u>17,049,325</u>	<u>285,328</u>	<u>17,884,830</u>
At 31 December 2024	<u>-</u>	<u>19,905,258</u>	<u>461,318</u>	<u>20,366,576</u>

Included within impairment charges for the year is an amount of £448,896 arising from a valuation review performed on 1 April 2025 following the acquisition of the Company by the Mondi Group. The review was undertaken to align the carrying values of the Company's assets with Group accounting policies and resulted in certain assets being written down to their recoverable amount.

The impairment charge has been recognised within administrative expenses in the Statement of Profit or Loss.

At 31 December 2025 the Company had no property, plant and equipment pledged as security for borrowings.

The Company had no material contractual commitments for the acquisition of property, plant and equipment at 31 December 2025.

11. INVENTORIES

	31/12/25 £	31/12/24 £
Finished goods and goods for resale	<u>1,524,526</u>	<u>880,661</u>

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

12. TRADE AND OTHER RECEIVABLES

	31/12/25	31/12/24
	£	£
Current:		
Trade receivables	5,770,502	4,549,942
Other receivables	2,000	67,286
Prepayments and accrued income	<u>177,049</u>	<u>450,593</u>
	<u>5,949,551</u>	<u>5,067,821</u>

The ageing of trade receivables at the reporting date was as follows:

	31/12/25	31/12/24
	£	£
Not past due	4,812,345	2,380,398
Past due:		
0 to 30 days	706,798	1,925,207
31 to 60 days	180,853	121,918
61 to 90 days	12,309	60,787
More than 90 days	<u>184,167</u>	<u>39,219</u>
Gross trade receivables	5,896,472	4,527,529
Debit balances transferred from trade payables	74,450	22,413
Sales provision relating to pre-year-end sales	(194,444)	-
Provision relating to bad debts written off after year end	(5,976)	-
Net trade receivables	<u>5,770,502</u>	<u>4,549,942</u>

The Company applies the simplified approach to measuring expected credit losses under IFRS 9, which requires lifetime expected credit losses to be recognised for all trade receivables.

The Company monitors outstanding receivable balances on an ongoing basis. Credit risk is managed through established credit control procedures and regular review of customer balances. The majority of customers are long-term commercial counterparties with no recent history of significant default.

The directors consider the expected credit loss provision recognised at the reporting date to be adequate based on historical loss experience, current economic conditions and forward-looking information.

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

13. CASH AND CASH EQUIVALENTS

	31/12/25	31/12/24
	£	£
Bank accounts	<u>920,157</u>	<u>643,788</u>

14. TRADE AND OTHER PAYABLES

	31/12/25	31/12/24
	£	£
Current:		
Trade payables	2,284,873	2,320,384
Amounts owed to group undertakings	8,786,980	3,717,741
Social security and other taxes	112,925	146,022
Other creditors	61,188	63,746
Accruals and deferred income	457,085	230,136
VAT	<u>595,555</u>	<u>481,684</u>
	<u>12,298,606</u>	<u>6,959,713</u>

15. FINANCIAL LIABILITIES - BORROWINGS

	31/12/25	31/12/24
	£	£
Current:		
Leases (see note 16)	<u>3,236,930</u>	<u>2,277,175</u>
Non-current:		
Leases (see note 16)	<u>10,650,767</u>	<u>14,725,364</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Leases	<u>3,236,930</u>	<u>2,602,327</u>	<u>6,738,362</u>	<u>1,310,078</u>	<u>13,887,697</u>

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

16. LEASING

Right-of-use assets

Property, plant and equipment

	31/12/25 £	31/12/24 £
COST		
At 1 January 2025	19,138,873	-
Additions	1,229,016	5,695,849
Reclassification/transfer	<u>-</u>	<u>13,443,024</u>
	<u>20,367,889</u>	<u>19,138,873</u>
 DEPRECIATION		
At 1 January 2025	2,155,439	-
Charge for year	<u>2,705,268</u>	<u>2,155,439</u>
	<u>4,860,707</u>	<u>2,155,439</u>
 NET BOOK VALUE	<u>15,507,182</u>	<u>16,983,434</u>

The depreciation charge recognised in respect of right-of-use assets during the year amounted to £2,705,268 (2024: £2,155,439) and is included within operating expenses in the Statement of Profit or Loss.

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

16. LEASING - continued

Lease liabilities

Minimum lease payments fall due as follows:

	31/12/25 £	31/12/24 £
Net obligations repayable:		
Within one year	3,236,930	2,277,175
Between one and five years	9,340,689	13,175,928
In more than five years	<u>1,310,078</u>	<u>1,549,436</u>
	<u>13,887,697</u>	<u>17,002,539</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

16. LEASING - continued

The Company's lease portfolio principally comprises manufacturing premises, warehouse facilities, company vehicles and operational equipment. The Company does not have material residual value guarantees, variable lease payment arrangements or material restrictive covenants arising from its leasing arrangements. Property leases generally have lease terms of between 3 and 15 years and may contain extension options where these are reasonably certain to be exercised. Vehicle and equipment leases typically have lease terms of between 2 and 5 years. Lease terms are determined based on the non-cancellable period together with any extension periods that management is reasonably certain to exercise.

The Company does not have any material lease arrangements containing variable lease payments linked to sales, usage or performance. Accordingly, all material lease payments are fixed or in-substance fixed and are included in the measurement of lease liabilities.

The Company had no material short-term or low-value lease expense during the year.

	31/12/25	31/12/24
Undiscounted lease payments	15,460,907	19,277,729
Less future finance charges	<u>(1,573,210)</u>	<u>(2,275,190)</u>
Present value of lease liabilities	13,887,697	17,002,539

17. PROVISIONS

	31/12/25	31/12/24
	£	£
Other provisions	<u>1,037,500</u>	<u>-</u>

Analysed as follows:
Non-current

<u>1,037,500</u>	<u>-</u>
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Other provisions

£

At 1 January 2025	-
Charged during the year	1,037,500
Utilised during the year	-
Released during the year	-
At 31 December 2025	1,037,500

The provision represents the estimated cost of reinstating leased properties to the condition required under the lease agreements. The expenditure is expected to be incurred on expiry of the relevant lease. The timing and amount of the obligation are subject to estimation uncertainty.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

17. PROVISIONS - continued

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision arising from the passage of time is recognised as a finance cost.

Where a provision relates to the restoration of leased property, the initial provision is recognised as part of the cost of the related right-of-use asset and subsequently unwound over the remaining lease term.

A provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months is recognised. The provision is measured at the salary cost payable for the period of absence.

18. DEFERRED TAX

	31/12/25	31/12/24
	£	£
Balance at 1 January	92,000	610,000
Fixed assets and capital allowances	(214,000)	(631,000)
Right-of-use assets	(447,000)	915,000
Lease liabilities and provisions	63,000	327,000
Tax losses	<u>506,000</u>	<u>(1,129,000)</u>
Balance at 31 December	<u>-</u>	<u>92,000</u>

Deferred tax arises in respect of temporary differences associated with lease liabilities. No deferred tax asset has been recognised as there is insufficient evidence at the reporting date that future taxable profits will be available against which the temporary differences can be utilised.

MONDI BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/25 £	31/12/24 £
13,052,383	Ordinary A	0.005p	-	655
6,870,000	Ordinary B	0.005p	-	345
19,922,383	Ordinary	0.005p	<u>1,000</u>	<u>-</u>
			<u>1,000</u>	<u>1,000</u>

During the year, the Company's share capital was reorganised. A total of 13,052,383 Ordinary A shares and 6,870,000 Ordinary B shares were reclassified as Ordinary shares. The reclassification did not result in any change to the total number of shares in issue or the total issued share capital of the Company.

20. RESERVES

	Retained earnings £	Capital contribution reserve £	Totals £
At 1 January 2025	2,903,594	-	2,903,594
Deficit for the year	(3,972,468)		(3,972,468)
Capital contribution arising on acquisition	-	684,180	684,180
Transfers	123,135	(123,135)	-
	<u>(945,739)</u>	<u>561,045</u>	<u>(384,694)</u>
At 31 December 2025			

Capital contribution reserve

The capital contribution reserve represents contributions received from the Company's immediate parent undertaking which do not constitute share capital and for which no consideration is payable.

During the year, a customer relationship intangible asset of £684,180 was recognised as part of acquisition accounting adjustments following the acquisition of the Company by the Mondi group. The corresponding credit was recognised in the capital contribution reserve as the asset was contributed by the parent undertaking without consideration.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

21. ULTIMATE PARENT COMPANY

During the year, the entire issued share capital of the company was acquired by a new shareholder on 1 April 2025. As a result, control of the company transferred to the new shareholder. The transaction constituted a change in ownership only and did not affect the company's principal activities, assets, liabilities or ongoing operations.

The immediate parent undertaking is Mondi Investments Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party is Mondi plc, a company incorporated in England and Wales.

The company is included in the consolidated financial statements of Mondi plc, which is the smallest and largest group for which consolidated financial statements are prepared and of which the Company is a member.

Copies of the consolidated financial statements of Mondi plc are available from the registered office of Mondi plc.

22. RELATED PARTY DISCLOSURES

At the reporting date, amounts owed to fellow group undertakings totalled £8,786,980 (2024: £3,717,741). Included within this balance is a structured intercompany loan with an outstanding balance of £4,119,976 at the reporting date, bearing interest at 5.4% per annum. The balance also includes a short-term intercompany loan with an outstanding balance of £4,126,378 at the reporting date, bearing interest at a rate determined by the lender. The remaining balances are unsecured and arise in the normal course of business between group companies.

The directors are satisfied that the Company will continue to receive financial support from the Group where required.

Transactions with related parties were undertaken in the normal course of business and on terms equivalent to those prevailing in arm's length transactions, where applicable.

During the year, the Company's parent undertaking contributed a customer relationship intangible asset with a fair value of £684,180. The contribution was recognised directly in equity within the capital contribution reserve. No consideration was payable by the Company in respect of this transaction.

MONDI BIRMINGHAM LIMITED**RECONCILIATION OF EQUITY
1 JANUARY 2024
(DATE OF TRANSITION TO IFRSS)**

	Notes	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	10	<u>18,691,906</u>	<u>904,555</u>	<u>19,596,461</u>
CURRENT ASSETS				
Inventories	11	1,075,625	-	1,075,625
Trade and other receivables	12	4,648,770	(260,181)	4,388,589
Cash and cash equivalents	13	<u>164,540</u>	<u>-</u>	<u>164,540</u>
		<u>5,888,935</u>	<u>(260,181)</u>	<u>5,628,754</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	14	(5,470,661)	-	(5,470,661)
Contract liabilities	16	<u>(1,379,283)</u>	<u>(1,208,211)</u>	<u>(2,587,494)</u>
		<u>(6,849,944)</u>	<u>(1,208,211)</u>	<u>(8,058,155)</u>
NET CURRENT LIABILITIES		<u>(961,009)</u>	<u>(1,468,392)</u>	<u>(2,429,401)</u>
NON-CURRENT LIABILITIES				
Contract liabilities	16	(7,605,606)	(3,067,951)	(10,673,557)
Deferred tax	18	<u>(1,579,000)</u>	<u>969,000</u>	<u>(610,000)</u>
		<u>(9,184,606)</u>	<u>(2,098,951)</u>	<u>(11,283,557)</u>
NET ASSETS		<u>8,546,291</u>	<u>(2,662,788)</u>	<u>5,883,503</u>
SHAREHOLDERS' EQUITY				
Called up share capital	19	1,000	-	1,000
Retained earnings	20	<u>8,545,291</u>	<u>(2,662,788)</u>	<u>5,882,503</u>
TOTAL EQUITY		<u>8,546,291</u>	<u>(2,662,788)</u>	<u>5,883,503</u>

The notes form part of these financial statements

MONDI BIRMINGHAM LIMITED

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2024

	Notes	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	10	<u>20,317,341</u>	<u>49,235</u>	<u>20,366,576</u>
CURRENT ASSETS				
Inventories	11	880,661	-	880,661
Trade and other receivables	12	5,420,153	(352,332)	5,067,821
Cash and cash equivalents	13	<u>643,788</u>	<u>-</u>	<u>643,788</u>
		<u>6,944,602</u>	<u>(352,332)</u>	<u>6,592,270</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	14	(6,959,713)	-	(6,959,713)
Financial liabilities - borrowings		<u>(2,092,859)</u>	<u>(184,316)</u>	<u>(2,277,175)</u>
Interest bearing loans and borrowings		<u>(9,052,572)</u>	<u>(184,316)</u>	<u>(9,236,888)</u>
NET CURRENT LIABILITIES		<u>(2,107,970)</u>	<u>(536,648)</u>	<u>(2,644,618)</u>
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings		(10,622,117)	(4,103,247)	(14,725,364)
Interest bearing loans and borrowings		<u>(966,000)</u>	<u>874,000</u>	<u>(92,000)</u>
Deferred tax	18	<u>(11,588,117)</u>	<u>(3,229,247)</u>	<u>(14,817,364)</u>
NET ASSETS		<u>6,621,254</u>	<u>(3,716,660)</u>	<u>2,904,594</u>
SHAREHOLDERS' EQUITY				
Called up share capital	19	1,000	-	1,000
Retained earnings	20	<u>6,620,254</u>	<u>(3,716,660)</u>	<u>2,903,594</u>
TOTAL EQUITY		<u>6,621,254</u>	<u>(3,716,660)</u>	<u>2,904,594</u>

The notes form part of these financial statements

MONDI BIRMINGHAM LIMITED

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2024

Notes to the reconciliation of equity at 1 January 2024

Transitional adjustments of £2,662,788 relates to the following:

<u>Adjustment</u>	<u>Impact</u>
Recognition and reclassification of right-of-use assets	904,555
Recognition and remeasurement of lease liabilities	(4,276,162)
Derecognition of other receivables	(260,181)
Deferred tax impact	<u>969,000</u>
Net adjustment to retained earnings	(£2,662,788)

The Company elected to apply the IFRS 1 exemption for leases. Lease liabilities were measured at the present value of the remaining lease payments discounted using the incremental borrowing rate at 1 January 2024. Right-of-use assets were measured at an amount equal to the lease liability, adjusted for any prepaid or accrued lease payments recognised immediately before the date of transition.

The Company did not elect to measure any items of property, plant and equipment at fair value as deemed cost on transition to IFRS. The carrying amounts of property, plant and equipment under previous UK GAAP at 1 January 2024 were considered to be broadly comparable to amounts determined under IFRS and were therefore carried forward without adjustment.

The Company did not have any business combinations prior to the date of transition and therefore the IFRS 1 business combination exemption was not applicable.

The cumulative translation differences exemption was not applicable as the Company does not have any foreign operations.

The borrowing costs exemption was not applicable as the Company did not have any qualifying assets requiring capitalisation of borrowing costs.

The notes form part of these financial statements

MONDI BIRMINGHAM LIMITED

RECONCILIATION OF LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	FRS 102	Effect of	IFRSs
	£	transition	£
		to IFRSs	
		£	
Revenue	19,529,072	-	19,529,072
Cost of sales	<u>(15,921,535)</u>	<u>(2,062,561)</u>	<u>(17,984,096)</u>
GROSS PROFIT	3,607,537	(2,062,561)	1,544,976
Distribution costs	(493,430)	-	(493,430)
Administrative expenses	(5,148,683)	1,402,849	(3,745,834)
Finance costs	(505,740)	(299,160)	(804,900)
Finance income	<u>2,279</u>	<u>-</u>	<u>2,279</u>
LOSS BEFORE TAX	(2,538,037)	(958,872)	(3,496,909)
Income tax	<u>613,000</u>	<u>(95,000)</u>	<u>518,000</u>
LOSS FOR THE YEAR	<u>(1,925,037)</u>	<u>(1,053,872)</u>	<u>(2,978,909)</u>

The notes form part of these financial statements

MONDI BIRMINGHAM LIMITED

DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	31/12/25 £	31/12/24 £
REVENUE		
Sales of goods	<u>22,022,365</u>	<u>19,529,072</u>
	<u>22,022,365</u>	<u>19,529,072</u>
 COST OF SALES		
Raw materials purchases	9,773,498	8,305,375
Lorry expenses	843,795	708,508
Consumables	89,482	116,127
Power, light and heat	910,511	967,780
Plant maintenance	582,459	646,516
Health and safety	63,834	37,672
Catering costs	27,469	36,032
Warehouse and delivery wages	3,218,274	2,837,441
Social security	362,872	264,280
Staff pension costs defined contributions	224,645	195,518
Depreciation of tangible fixed assets		
Plant and machinery	3,085,729	3,697,493
Motor vehicles	<u>192,111</u>	<u>171,354</u>
	<u>19,374,679</u>	<u>17,984,096</u>
 DISTRIBUTION COSTS		
Sales salaries	181,738	268,574
Motor running expenses	29,575	110,986
Travel and entertaining expenses	92,450	79,483
Postage, courier and delivery charges	632	976
Telecommunications	<u>34,807</u>	<u>33,411</u>
	<u>339,202</u>	<u>493,430</u>

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MONDI BIRMINGHAM LIMITED

DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	31/12/25 £	31/12/24 £
ADMINISTRATIVE EXPENSES		
Establishment costs		
Directors' remuneration	298,216	200,677
Directors' pension contributions	11,535	8,740
Wages and salaries	1,370,396	1,516,701
Social security	217,852	215,103
Staff pension costs defined contributions	120,294	127,558
Management charge - group	241,002	157,734
Rent and rates	546,947	334,048
Insurance	409,139	388,449
Property repairs and maintenance	435,399	258,391
Administrative expenses		
Telephone	82,855	80,856
Printing, stationery and advertising	64,069	153,005
Computer running costs	336,366	140,915
Sundry expenses	43,553	35,688
Accountancy	9,750	-
Legal and professional fees	160,737	235,957
Non audit remuneration paid to auditors	11,900	7,665
Audit fees	13,500	8,750
Finance costs		
Bank charges	36,088	26,974
Depreciation		
Customer relationships	34,943	-
Dilapidation provision	487,323	-
Profit/loss on sale of assets		
Plant and machinery	-	(64,314)
Impairment losses		
Customer relationships	88,192	-
Plant and machinery	441,450	-
Motor vehicles	7,446	-
Exceptional items		
Profit or loss on foreign exchange	92,114	(87,063)
	<u>5,561,066</u>	<u>3,745,834</u>

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MONDI BIRMINGHAM LIMITED

DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	31/12/25 £	31/12/24 £
FINANCE COSTS		
Interest on lease liabilities	701,980	684,900
Interest payable to group comp	229,906	-
Other interest	<u>(120,000)</u>	<u>120,000</u>
	<u>811,886</u>	<u>804,900</u>
 FINANCE INCOME		
Interest receivable from group	<u>-</u>	<u>2,279</u>
	<u>-</u>	<u>2,279</u>

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