

**Mondi Investments Limited**

**Annual report and financial statements**

**For the year ended 31 December 2020**

**Registered no. 05024245**

# **Mondi Investments Limited**

## **Annual report and financial statements**

For the year ended 31 December 2020

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# **Mondi Investments Limited**

## **Annual report and financial statements**

For the year ended 31 December 2020

### **Officers and professional advisers**

#### **Directors**

J L Hampshire  
A C W King  
J C Paterson  
C M Valera  
M A Powell

#### **Company secretary**

J L Hampshire

#### **Registered Office**

Building 1, 1<sup>st</sup> Floor  
Aviator Park  
Station Road  
Addlestone  
Surrey  
United Kingdom  
KT15 2PG

#### **Bankers**

Deutsche Bank AG  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

#### **Independent Auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
United Kingdom  
WC2N 6RH

# **Mondi Investments Limited**

## **Annual report and financial statements**

For the year ended 31 December 2020

### **Strategic report**

The directors, in preparing this Strategic report, have complied with section 414C of the Companies Act 2006.

#### **Review of the business and future developments**

Mondi Investments Limited (“the Company”) is an investment holding company. The directors have the present intention of maintaining its business in the current form and believe the Company’s future prospects to be satisfactory. The purpose of the Company is to hold investments for the Mondi Group (the “Group”). The performance of the Company’s investments are discussed in the Group’s Integrated report and financial statements 2020. The Company’s directors believe that further key performance indicators of the Company are neither necessary nor appropriate for an understanding of the performance or position of the business.

The profit for the financial year after tax was €120,982,709 (2019: €720,650,307), decreasing mainly due to lower dividend income received from investments. A dividend of €164,000,000 (2019: €830,000,000) was paid during the year. The Directors do not recommend a payment of final dividend for the current financial year.

#### **Section 172 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 (“s172”) when performing their duty to promote the success of the Company for the benefit of its shareholders. As the Company is a wholly-owned subsidiary of the Group, its parent company and other members of the Group are key stakeholders of the Company. Accordingly, the interests of the Group have been taken into account by the directors and decisions have been made in agreement with the Board of Mondi plc, the ultimate parent entity of the Group.

For more information on the Group, please see the s172 statement on pages 40 to 43 of the Group’s Integrated report and financial statements 2020, which does not form part of this report but provides details of the consideration given to stakeholders by the Group.

#### **Risk management**

The directors considered the risks attached to the Company’s financial instruments, which principally comprise trade and other receivables, trade and other payables and loans to and from other group companies. The Company’s activities expose it primarily to foreign exchange and interest risk. Both risks are actively monitored on a regular basis and managed through the use of foreign exchange contracts and interest swaps as appropriate. Material balance sheet exposures are hedged. The Company’s exposure to credit risk and liquidity risk is not material for the assessment of assets, liabilities and the financial statements. The directors aim to maintain an appropriate capital structure and to conservatively manage the Company’s financial risk exposures in compliance with all laws and regulations. For more information on the Group, please see the principal risks and risk management on pages 74 to 85 of the Group’s integrated report 2020, which does not form part of this report but provides details of the consideration given to stakeholders by the Group.

The directors’ policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. At 31 December 2020 the Company recognised a total derivative liability of € 4,058 (2019: a derivative asset of € 6,819). This amount relates to the economic hedging of foreign exchange exposures on a deposit in trade and other receivables.

The Company holds investments within the Mondi Group. The underlying performance of these investments could impact the carrying value of the investments.

# **Mondi Investments Limited**

## **Annual report and financial statements**

For the year ended 31 December 2020

### **Strategic report**

Approved by the board of directors on 18 May 2021 and signed on behalf of the board by:



J C Paterson  
Director

# **Mondi Investments Limited**

## **Annual report and financial statements**

For the year ended 31 December 2020

### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

#### **Company registered number**

05024245

#### **Directors**

The directors, who held office throughout the year and to the date of this report, were as follows:

J L Hampshire

A C W King

J C Paterson

C Valera

M A Powell (appointed 1 December 2020)

#### **Directors' indemnities**

The Company, via its ultimate parent company, has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Information set out in the Strategic report**

Disclosures relating to the following items have been included in the Strategic report which can be found on page 2:

- dividend payments and recommendations;
- financial risk management objectives, policies and related exposures to interest rate, currency, credit and liquidity risk; and
- likely future developments in the business of the Company.

#### **Employee engagement**

Engaging and motivating employees to reach their full potential and providing opportunities for their development ensures the business continues to grow and succeed and is integral to the culture of the Mondi Group. More detail can be found on pages 46 to 50 of the Group's Integrated report 2020, which does not form part of this report but provides details of the engagement undertaken with employees.

#### **Going concern**

The directors believe that the Company will continue to act as a holding company for the Mondi Group.

The directors believe that the Company will continue to be a going concern into the foreseeable future and have adopted the going concern basis of accounting.

#### **Events occurring after 31 December 2020**

In response to the COVID-19 pandemic, which the World Health Organisation first characterised as such in March 2020, the Mondi Group put in place measures to ensure employees could continue to work safely, with a focus on risk management. Employees in administrative roles moved to remote working. We continue to closely monitor the impacts of the COVID-19 pandemic in 2021. We are not expecting any significant impact on the Company's operation or financial position. We continue to monitor its impact on global trade and the macro-economic outlook. For the Company as a holding company there are no significant changes expected. The Company has considered the impact of the COVID-19 pandemic and has given increased attention to its assessment of the area of impairment of investments – refer to note 10. The dividend payments of the subsidiaries to the Company and the distribution of dividends to the parent company are planned taking into account the further development of the economic environment.

There have been no other material reportable events since 31 December 2020.

# **Mondi Investments Limited**

## **Annual report and financial statements**

For the year ended 31 December 2020

### **Directors' report**

#### **Statement as to disclosure of information to the auditors**

Each of the persons who is a director at the date of approval of this report confirms 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 steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### **Independent Auditor**

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and in accordance with the Companies Act 2006 are deemed to remain in office as auditors of the Company.

Approved by the board of directors on 18 May 2021 and signed by order of the board by:



J L Hampshire  
Company secretary

# **Mondi Investments Limited**

## **Annual report and financial statements**

For the year ended 31 December 2020

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable laws 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 year. 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

# **Mondi Investments Limited**

## **Independent auditors' report to the member of Mondi Investments Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Mondi Investments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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, comprising FRS 101 "Reduced Disclosure Framework", 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 2020; 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.

## **Mondi Investments Limited**

### **Independent auditors' report to the member of Mondi Investments Limited**

## **Report on the audit of the financial statements (continued)**

### **Reporting on other information (continued)**

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 2020 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 tax legislation, 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 inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

## **Mondi Investments Limited**

### **Independent auditors' report to the member of Mondi Investments Limited**

## **Report on the audit of the financial statements (continued)**

### **Responsibilities for the financial statements and the audit (continued)**

#### **Auditors' responsibilities for the audit of the financial statements (continued)**

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of potential instances of non-compliance with laws and regulation and fraud;
- Identifying and testing a sample of journal entries in relation to unexpected account combinations and post close period journals; and
- Reviewing board meeting minutes up to the date of the audit report.

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](http://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 member 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.



Simon Morley (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

18 May 2021

## Mondi Investments Limited

### Profit and loss account

for the year ended 31 December 2020

|   | Notes | 2020<br>€           | 2019<br>€            |
|---|-------|---------------------|----------------------|
| Other operating expenses                        | 5     | (1,201,828)         | (5,370,700)          |
| Impairment of investments                       | 6     | (63,955,254)        | (96,078,005)         |
| <b>Loss from operations</b>                     |       | <b>(65,157,082)</b> | <b>(101,448,705)</b> |
| Investment income                               | 7     | 186,271,081         | 822,155,280          |
| Interest payable and similar expenses           | 8     | (131,290)           | (56,268)             |
| <b>Profit on ordinary activities before tax</b> |       | <b>120,982,709</b>  | <b>720,650,307</b>   |
| Tax on profit                                   | 9     | -                   | -                    |
| <b>Profit for the financial year</b>            |       | <b>120,982,709</b>  | <b>720,650,307</b>   |

All amounts derive from continuing operations.

There are no items of comprehensive income or expense for the current or preceding financial year other than the profit shown above and therefore no separate statement of comprehensive income has been presented.

The notes of pages 13 to 29 form an integral part of these financial statements

# Mondi Investments Limited

## Balance sheet

As at 31 December 2020

|                                    | Note | 2020<br>€            | 2019<br>€            |
|------------------------------------|------|----------------------|----------------------|
| <b>Fixed assets</b>                |      |                      |                      |
| Investments                        | 10   | 3,821,772,070        | 3,864,240,907        |
|                                    |      | <u>3,821,772,070</u> | <u>3,864,240,907</u> |
| <b>Current assets</b>              |      |                      |                      |
| Trade and other receivables        | 11   | 744,439              | 786,488              |
| Amounts owed by group undertakings | 12   | 364,317              | 5,146,440            |
| Derivative financial instruments   | 14   | -                    | 6,819                |
|                                    |      | <u>1,108,756</u>     | <u>5,939,747</u>     |
| <b>Current liabilities</b>         |      |                      |                      |
| Derivative financial instruments   | 14   | (4,058)              | -                    |
| Trade and other payables           | 13   | (1,082,447)          | (5,369,042)          |
|                                    |      | <u>22,251</u>        | <u>570,705</u>       |
| <b>Net current assets</b>          |      |                      |                      |
|                                    |      | <u>3,821,794,321</u> | <u>3,864,811,612</u> |
| <b>Net assets</b>                  |      |                      |                      |
|                                    |      | <u>3,821,794,321</u> | <u>3,864,811,612</u> |
| <b>Equity</b>                      |      |                      |                      |
| Called up share capital            | 16   | 15,311               | 15,311               |
| Share premium account              |      | 50,000,000           | 50,000,000           |
| Profit and loss account            |      | 3,771,779,010        | 3,814,796,301        |
|                                    |      | <u>3,821,794,321</u> | <u>3,864,811,612</u> |
| <b>Total shareholders' funds</b>   |      | <u>3,821,794,321</u> | <u>3,864,811,612</u> |

The financial statements on pages 10 to 29 were approved by the board of directors and authorised for issue on 18 May 2021.

Signed on behalf of the board of directors



J C Paterson  
Director

Company registered number: 05024245

## Mondi Investments Limited

### Statement of changes in equity

For the year ended 31 December 2020

|   | Called up<br>Share<br>capital<br>€ | Share<br>Premium<br>account<br>€ | Profit and loss<br>account<br>€ | Total<br>€    |
|---|------------------------------------|----------------------------------|---------------------------------|---------------|
| <b>At 1 January 2019</b>  | 15,311                             | 50,000,000                       | 3,924,145,994                   | 3,974,161,305 |
| Profit and total comprehensive income for<br>the financial year | -                                  | -                                | 720,650,307                     | 720,650,307   |
| Dividend paid   | -                                  | -                                | (830,000,000)                   | (830,000,000) |
| <b>At 31 December 2019</b>                                      | 15,311                             | 50,000,000                       | 3,814,796,301                   | 3,864,811,612 |
| Profit and total comprehensive income for<br>the financial year | -                                  | -                                | 120,982,709                     | 120,982,709   |
| Dividend paid   | -                                  | -                                | (164,000,000)                   | (164,000,000) |
| <b>At 31 December 2020</b>                                      | 15,311                             | 50,000,000                       | 3,771,779,010                   | 3,821,794,321 |

The notes of pages 13 to 29 form an integral part of these financial statements

# Mondi Investments Limited

## Notes to the financial statements

for the year ended 31 December 2020

### 1. General information

Mondi Investments Limited is a private company limited by shares and incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

These financial statements are separate financial statements. The Company is exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006, because it is consolidated in the consolidated financial statements of Mondi plc. The consolidated financial statements are available to the public and can be obtained as set out in note 18.

### 2. Significant accounting policies

#### Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100. Accordingly, in the year ended 31 December 2020, the financial statements have therefore been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101").

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, capital management, presentation of a cash-flow statement, standards not yet effective, and related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements of Mondi plc. The consolidated financial statements are available to the public and can be obtained as set out in note 18.

The financial statements are prepared on the historical cost basis, with derivative financial instruments are held at fair value through profit or loss. The principal accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

#### New accounting policies, early adoption and future requirements

##### *Amendments to published Standards effective during 2020*

The following amendments to Standards have been adopted for the financial year beginning on 1 January 2020, and have had no significant impact on the Company's results:

- Amendments to IFRS 3 – Business Combinations
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform
- Amendments to IAS 1 – Presentation of Financial Statements
- Amendments to IAS 8 – Accounting Policies – Changes in Accounting Estimates and Errors
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 16 – Leases – Covid-19-Related Rent Concessions

##### *Amendments to published Standards that are not yet effective*

The following amendments to Standards will be effective for the financial year beginning on 1 January 2021 and are not expected to have a significant impact on the Company's results:

- Amendments to IFRS 4 – Insurance Contracts – deferral of IFRS 9
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 2. Significant accounting policies (continued)

#### Going concern

After making enquiries, the directors have formed a judgement that, at the time of approving the financial statements, and having considered the Company's forecasts and projections, there is a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

#### Dividend and interest income

Dividend income from investments is recognised as investment income in the profit and loss account when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### Dividend payments

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividend is declared and approved.

#### Taxation

##### Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

##### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 2. Significant accounting policies (continued)

#### Foreign currency

The financial statements are presented in euros, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates of exchange prevailing at the reporting date. All exchange differences were accounted for in the Profit and loss account.

#### Investments in subsidiaries

Investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows. Prior impairments (other than goodwill) are reviewed for possible reversal at each reporting date.

The investments are recorded at cost less any accumulated impairment.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments of a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value.

#### Debtors and creditors

Trade debtors and creditors are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method.

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas of judgement and estimation the directors considered included the valuation assessment of fixed asset investments (see note 10). However, the directors do not consider any of the judgements and estimates as critical accounting judgements or significant accounting estimates as defined in IAS 1.

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 4. Directors and employees

The Company had no employees during the year (2019: none). The directors received no remuneration or emoluments in respect of the services provided to the Company during the year (2019: nil).

### 5. Other operating expenses

The audit fee for the audit of the Company's financial statements of £18,390 (2019: £13,300) has been borne by the company (in 2019: borne by Mondi plc). Lease payments of £652,240 (2019: £652,240) were borne by Mondi Services (UK) Limited on behalf of Mondi Investments Limited.

### 6. Impairment of investments

|                           | 2020<br>€  | 2019<br>€  |
|---------------------------|------------|------------|
| Impairment of investments | 63,955,254 | 96,078,005 |

### 7. Investment income

|   | 2020<br>€          | 2019<br>€          |
|---|--------------------|--------------------|
| Interest receivable from group undertakings | -                  | 3                  |
| Dividends received                          | 186,270,270        | 822,141,543        |
| Foreign exchange gain                       | 811                | 13,734             |
|   | <u>186,271,081</u> | <u>822,155,280</u> |

Interest on amounts owed by group undertakings is earned at market rates and amounts owed are receivable on demand.

### 8. Interest payable and similar expenses

|  | 2020<br>€      | 2019<br>€     |
|--|----------------|---------------|
| Interest payable to group undertakings | 1,976          | 37            |
| Foreign exchange losses                | 129,314        | 56,231        |
|  | <u>131,290</u> | <u>56,268</u> |

Interest on amounts owing to group undertakings is charged at market rates and amounts owing are payable on demand.

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 9. Tax on profit

#### (a) Analysis of tax charge for the year

|   | 2020     | 2019     |
|---|----------|----------|
|   | €        | €        |
| <b>Current tax</b>                                |          |          |
| UK Corporation tax                                | -        | -        |
| <b>Total tax on profit on ordinary activities</b> | <u>-</u> | <u>-</u> |

#### (b) Factors affecting tax charge for the year

The current tax assessed for both years differ from the standard rate of corporation tax in the UK. The differences are explained below:

|   | 2020         | 2019          |
|---|--------------|---------------|
|   | €            | €             |
| Profit before tax   | 120,982,709  | 720,650,307   |
| Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%) | 22,986,715   | 136,923,558   |
| Effects of:   |              |               |
| Non-taxable dividend income   | (35,391,505) | (156,206,893) |
| Expenditure not deductible for tax purposes   | 12,370,954   | 19,283,335    |
| Group relief surrendered for no payment   | 33,836       | -             |
| <b>Total tax charge/credit for the year</b>   | <u>-</u>     | <u>-</u>      |

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 10. Investments

|                                     | 2020                 | 2019                 |
|-------------------------------------|----------------------|----------------------|
|                                     | €                    | €                    |
| <b>Cost</b>                         |                      |                      |
| At 1 January                        | 4,488,755,505        | 4,488,980,071        |
| Additions                           | 21,486,419           | 3                    |
| Disposals                           | (23,528,001)         | (224,569)            |
| At 31 December                      | <u>4,486,713,923</u> | <u>4,488,755,505</u> |
| <b>Provisions for impairment</b>    |                      |                      |
| At 1 January                        | (624,514,598)        | (528,436,593)        |
| Impairment                          | (63,955,254)         | (96,078,005)         |
| Disposals                           | 23,527,999           | -                    |
| At 31 December                      | <u>(664,941,853)</u> | <u>(624,514,598)</u> |
| <b>Net book value - 1 January</b>   | <u>3,864,240,907</u> | <u>3,960,543,478</u> |
| <b>Net book value - 31 December</b> | <u>3,821,772,070</u> | <u>3,864,240,907</u> |

#### Disclosure 2020

Following the liquidation of Mondi German Investments Limited in the financial year a disposal of €23,528,001 was recognised.

During the financial year Mondi Consumer Goods Packaging UK Ltd has been capitalised with the amount of €21,486,419. Following the planned closure of the Deeside and Nelson operation sites within the UK Consumer Flexibles operations group an impairment of €19,794,880 was recognised for the investment in Mondi Consumer Goods Packaging UK Ltd. The remaining book value as per 31 December 2020 amounts to €1,691,541 and corresponds to the Net Assets of the company at the balance sheet date.

Following the planned closure of the South Korean Consumer Flexibles plant an impairment of €2,404,315 was recognised for the investment in Mondi KSP Co., Ltd in the current financial year. The remaining book value as per 31 December 2020 amounts to €1,309,936 and corresponds to the Net Assets of the company at the balance sheet date.

Following the restructuring of the personal care components focused operations (in Germany), management performed an impairment test for the investment in Mondi Holding Deutschland GmbH and concluded that an impairment charge of €41,756,059 was recognised in the profit and loss statement. Management assessed the recoverable amount (€61,507,941) of the investment using a value-in-use calculation with the following key assumptions:

- cash flow forecasts were derived from the budget most recently approved by the Board of Mondi plc covering the period up to 31 December 2023;
- sales volumes, sales prices and variable input cost assumptions in the budget period were derived from a combination of economic and industry forecasts for individual product lines, internal management projections, historical performance, and announced and expected industry capacity changes;
- 9.5% pre-tax discount rate was derived from the Group's weighted average cost of capital, adjusted for country risk;
- zero to 2.1% growth rate were applied based on the regions in which the Company operates beyond the budget period into perpetuity; and
- capital expenditure forecasts were based on historical experience and include expenditure necessary to maintain the assets in their current condition.

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 10. Investments (continued)

Due to the increased level of uncertainty resulting from the COVID-19 pandemic, particularly relating to the timing and the extent of the assumed macroeconomic and industry-related recovery, management determined the recoverable amount based on three probability-weighted scenarios. Aside from the base scenario derived from the budget most recently approved by the Board of Mondi plc, management included an optimistic and a pessimistic scenario in the calculation of the recoverable amount to address the uncertainty associated with the cash flow forecasts.

The sensitivity analyses below have been determined based on reasonably possible changes to the significant assumptions, while holding all other assumptions constant. Changes in the assumptions would have had the following effect on the carrying value of the investment in Mondi Holding Deutschland GmbH at 31 December 2020:

|  | <b>Increase</b>  | <b>Decrease</b>  |
|--|------------------|------------------|
|  | <b>€ million</b> | <b>€ million</b> |
| Effect of 100 bps change in discount rate  | (27)             | 42               |
| Effect of 5% change in operating cashflows | 15               | (15)             |

The carrying value of the investment in Mondi Holding Deutschland GmbH is sensitive to any adverse future changes in key assumptions as outlined in the sensitivity analyses above.

The directors do not consider there is a significant risk of a material adjustment to the carrying value in the next 12 months for this or any other investments held.

#### *Disclosure 2019*

In February 2019 the final earn-out payment was made for the investment in Mondi TSP Company Limited. Relating to this transaction the asset value has been adjusted accordingly and a disposal of €224,569 was recognised as per 31 December 2019.

Following the planned closure of the Deeside and Nelson operation sites within the UK Consumer Flexibles operations group and related legal entities restructuring, an impairment of € 37,322,103 was recognised for the investment in Mondi UK Consumer Packaging Holding 1 Ltd. in the financial year. The remaining book value as per 31 December 2019 amounts to € 1.

Following the distribution of the retained earnings of €25,075,923 and the legal entities restructuring within Mondi German Investments Limited, an impairment charge of €23,527,999 was recognised with a remaining book value as at 31 December 2019 of €2. The investment subsequently became dormant and applied to be struck off and dissolved in 2020.

At 31 December 2019, one of the subsidiaries under Mondi SCP Holdings B.V. was identified to be underperforming which led to an impairment test being performed in respect of the Company's investment. The Company measured the recoverable amount of the investment in Mondi SCP Holdings B.V. using a value-in-use calculation which resulted in an impairment loss of €35,227,902 to be recognised. The key assumptions are as follows:

- cash flow forecasts were derived from the budget most recently approved by the Board of Mondi plc covering the period up to 31 December 2022;
- sales volumes, sales prices and variable input cost assumptions in the budget period were derived from a combination of economic forecasts, industry forecasts, internal management projections, historical performance, and announced industry capacity changes;
- 9.1% pre-tax discount rate was derived based on the weighted average cost of capital of the investment;
- zero growth rate was applied beyond the budget period into perpetuity; and
- capital expenditure forecasts were based on historical experience and include expenditure necessary to maintain the projected cash flows from operations at current operating levels.

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 10. Investments (continued)

The sensitivity analyses below have been determined based on reasonably possible changes to the significant assumptions, while holding all other assumptions constant. Changes in the assumptions would have had the following effect on the carrying value of the investment in Mondi SCP Holdings B.V. at 31 December 2019:

|  | <b>Increase</b><br><b>€ million</b> | <b>Decrease</b><br><b>€ million</b> |
|--|-------------------------------------|-------------------------------------|
| Effect of 100 bps change in discount rate  | (36)                                | 47                                  |
| Effect of 5% change in operating cashflows | 44                                  | (44)                                |

The carrying value of the investment in Mondi SCP Holdings B.V. is sensitive to any adverse future changes in key assumptions as outlined in the sensitivity analyses above and therefore considers these assumptions a key source of estimation uncertainty.

#### *Subsidiaries*

The Company's subsidiaries and associated undertakings as at 31 December 2020 were as follows. All shares are held indirectly through a subsidiary or associated undertaking except where noted. Except where stated, the shares held are ordinary shares.

| <b>Company</b>                             | <b>Registered office</b>                           | <b>% of shares held</b> |
|--|--|-------------------------|
| <b><u>Austria</u></b>                      |  |                         |
| Mondi AG                                   | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Coating Zeltweg GmbH                 | Bahnhofstrasse 3, 8740 Zeltweg                     | 100                     |
| Mondi Consumer Packaging GmbH              | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Corrugated Holding Österreich GmbH   | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Corrugated Services GmbH             | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Engineered Materials GmbH            | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Finance Europe GmbH                  | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Frantschach GmbH                     | Frantschach 5, 9413 St. Gertraud                   | 100                     |
| Mondi Grünburg GmbH                        | Steyrtalstrasse 5, 4594 Grünburg                   | 100                     |
| Mondi Holdings Austria GmbH                | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Industrial Bags GmbH                 | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Korneuburg GmbH                      | Stockerauer Strasse 110, 2100 Korneuburg           | 100                     |
| Mondi Neusiedler GmbH                      | Theresienthalstrasse 50, 3363 Ulmerfeld-Hausmening | 51                      |
| Mondi Oman Holding GmbH                    | Marxergasse 4A, 1030 Vienna                        | 70                      |
| Mondi Paper Sack Zeltweg GmbH <sup>4</sup> | Bahnhofstrasse 3, 8740 Zeltweg                     | 100                     |
| Mondi Paper Sales GmbH                     | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Mondi Release Liner Austria GmbH           | Waidhofnerstrasse 11, 3331 Hilm                    | 100                     |
| Mondi Styria GmbH                          | Bahnhofstrasse 3, 8740 Zeltweg                     | 100                     |
| Mondi Uncoated Fine & Kraft Paper GmbH     | Marxergasse 4A, 1030 Vienna                        | 100                     |
| Papierholz Austria GmbH                    | Frantschach 5, 9413 St. Gertraud                   | 25                      |
| Ybbstaler Zellstoff GmbH                   | Theresienthalstrasse 50, 3363 Ulmerfeld-Hausmening | 51                      |
| <b><u>Belgium</u></b>                      |  |                         |
| Mondi Poperinge N.V.                       | Nijverheidslaan 11, 8970 Poperinge                 | 100                     |

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 10. Investments (continued)

| Company                                      | Registered office   | % of shares held |
|--|---|------------------|
| <b><u>Bulgaria</u></b>                       |   |                  |
| Mondi Stambolijski E.A.D.                    | 1 Zavodska Street, Stambolijski 4210, Plovdiv Region  | 100              |
| <b><u>China</u></b>                          |   |                  |
| Mondi (China) Film Technology Co., Ltd.      | No 29 Xinggang Road, Taicang Port Development Zone  | 100              |
| Mondi Trading (Beijing) Co., Ltd.            | 0912, Air China Plaza, Building 1, No 36 Xiaoyun Road, Chaoyang, Beijing                                | 100              |
| <b><u>Columbia</u></b>                       |   |                  |
| Mondi Cartagena SAS <sup>4</sup>             | LT No CA-4 Zona Franca la Candelaria, Sector Cospique, Zona Industrial Mamonal, Cartagena, Bolivar      | 100              |
| <b><u>Czech Republic</u></b>                 |   |                  |
| EURO WASTE, a.s.                             | Litoměřická 272, 41108 Štětí  | 100              |
| Labe wood s.r.o. <sup>5</sup>                | Litoměřická 272, 41108 Štětí  | 24.99            |
| Lignocel s.r.o (in liquidation) <sup>5</sup> | Poupětova 3, 17000 Prague 7   | 20               |
| Mondi Bags Štětí a.s.                        | Litoměřická 272, 41108 Štětí  | 100              |
| Mondi Bupak s.r.o.                           | Papírenská 41, 37052 České Budějovic  | 100              |
| Mondi Coating Štětí a.s.                     | Litoměřická 272, 41108 Štětí  | 100              |
| Mondi Štětí a.s.                             | Litoměřická 272, 41108 Štětí  | 100              |
| Mondi Štětí White Paper s.r.o                | Litoměřická 272, 41108 Štětí  | 100              |
| Wood & Paper a.s. <sup>5</sup>               | Hlína 57/18, 66491 Brno   | 46.5             |
| <b><u>Egypt</u></b>                          |   |                  |
| Mondi Cairo for Packaging Material S.A.E     | Plots No. 6 and No. 7 in the Northern Expansion Area, Industrial Zone, 6 <sup>th</sup> of October, Giza | 100              |
| Suez Bags Company (S.A.E.)                   | 30 Maadi Road, Katameya, Kilo138, Cairo   | 98.34            |
| <b><u>Finland</u></b>                        |   |                  |
| Harvestia Oy                                 | Selluntie 142, 70420 Kuopio   | 94.7             |
| Mondi Finland Services Oy                    | Peltotie 20, 28400 Ulvila   | 100              |
| Mondi Powerflute Oy                          | Selluntie 142, 70420 Kuopio   | 100              |
| <b><u>France</u></b>                         |   |                  |
| Mondi Gournay Sarl                           | 5, rue Vernet, 75008 Paris  | 100              |
| Mondi Lembacel SAS                           | 11 rue de Reims, 51490 Bétheniville   | 100              |
| Mondi Paper Sales France Sarl                | 5, rue Vernet, 75008 Paris  | 100              |
| <b><u>Germany</u></b>                        |   |                  |
| Mondi Ascania GmbH                           | Daimlerstrasse 8, 06449 Aschersleben  | 100              |
| Mondi Bad Rappenau GmbH                      | Wilhelm-Hauff-Strasse 41, 74906 Bad Rappenau  | 100              |
| Mondi Consumer Packaging International GmbH  | Jöbkesweg 11, 48599 Gronau  | 100              |
| Mondi Eschenbach GmbH                        | Am Stadtwald 14, 92676 Eschenbach   | 100              |
| Mondi Gronau GmbH                            | Jöbkesweg 11, 48599 Gronau  | 100              |
| Mondi Halle GmbH                             | Wielandstraße 2, 33790 Halle  | 100              |
| Mondi Hammelburg GmbH <sup>2</sup>           | Thüringenstraße 1-3, 97762 Hammelburg   | 100              |
| Mondi Holding Deutschland GmbH <sup>2</sup>  | Jöbkesweg 11, 48599 Gronau  | 100              |

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 10. Investments (continued)

| Company                              | Registered office   | % of shares held |
|--------------------------------------|---|------------------|
| <b><u>Germany (continued)</u></b>    |   |                  |
| Mondi Innocoat GmbH <sup>2</sup>     | Angererstrasse 25, 83064 Raubling   | 100              |
| Mondi Jülich GmbH <sup>2</sup>       | Rathausstrasse 29, 52428 Jülich   | 100              |
| Mondi Lindlar GmbH <sup>2</sup>      | Wielandstrasse 2, 33790 Halle   | 100              |
| Mondi Paper Sales Deutschland GmbH   | Oberbaumbrücke 1, 20457 Hamburg   | 100              |
| Mondi Sendenhorst GmbH <sup>2</sup>  | Thüringenstrasse 1-3, 97762 Hammelburg  | 100              |
| Mondi Trebsen GmbH                   | Erich-Hausmann-Strasse 1, 04687 Trebsen   | 100              |
| Mondi Wellpappe Ansbach GmbH         | Robert-Bosch-Strasse 3, 91522 Ansbach   | 100              |
| Wood2M GmbH <sup>5</sup>             | Hauptstraße 16, 07366 Blankenstein  | 50               |
| <b><u>Greece</u></b>                 |   |                  |
| Mondi Thessaloniki A.E.              | Sindos Industrial Zone - Block 18, 57022 Thessaloniki                               | 100              |
| <b><u>Hungary</u></b>                |   |                  |
| Mondi Bags Hungária Kft.             | Tünde u. 2., 4400 Nyíregyháza   | 100              |
| Mondi Békéscsaba Kft                 | Tevan Andor u. 2., 5600 Békéscsaba  | 100              |
| Mondi Szada Kft.                     | Vasút u. 13, 2111 Szada   | 100              |
| <b><u>Iraq</u></b>                   |   |                  |
| Mondi Kaso Iraq Industrial Bags Ltd. | Takya, Bazian, Sulaimaniyah   | 34.55            |
| <b><u>Italy</u></b>                  |   |                  |
| Mondi Gradisac S.r.l.                | Via dell'Industria 11, 34072 Gradisca d'Isonzo, Gorizia                             | 100              |
| Mondi Italia S.r.l.                  | Via Balilla 32, 24058 Romano di Lombardia, Bergamo                                  | 100              |
| Mondi Padova S.r.l.                  | Via Mazzini 21, 35010 San Pietro in Gu, Padua                                       | 100              |
| Mondi Paper Sales Italia S.r.l       | Via Fara Gustavo 35, 20124, Milano  | 100              |
| Mondi Silicart S.r.l.                | Via Zanchetta 27, 35010, San Pietro in Gu   | 100              |
| Mondi Tolentino S.r.l.               | Via Giovanni Falcone 1, 62029 Tolentino, Macerata                                   | 100              |
| NATRO-TECH S.r.l.                    | Via Balilla 32, 24058 Romano di Lombardia, Bergamo                                  | 100              |
| Powerflute Italia S.r.l.             | Via Giacomo Matteotti 2, 21013 Gallarate  | 100              |
| <b><u>Japan</u></b>                  |   |                  |
| Mondi Tokyo KK                       | 7th floor 14-5, Akasaka 2-chrome, Minato-ku, Tokyo                                  | 100              |
| <b><u>Jordan</u></b>                 |   |                  |
| Jordan Paper Sacks Co. Ltd           | Al Salt, Industrial Area, P.O. Box 119, 19374, Balqa                                | 67.74            |
| <b><u>Republic of Korea</u></b>      |   |                  |
| Krauzen Co., Ltd. <sup>2</sup>       | 1420, Keumkang-Pentarium IT tower, 282 Hakeui-ro, Dongang-gu, Anyang-si, Gyunggi-do | 100              |
| Mondi KSP Co., Ltd. <sup>2</sup>     | 48-29, 439 Hongandaero, Dongang-gu, Anyang-si, Gyunggi-do                           | 95               |

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 10. Investments (continued)

| Company   | Registered office   | % of shares held |
|---|---|------------------|
| <b><u>Lebanon</u></b>                                       |   |                  |
| Mondi Lebanon SAL   | 7 <sup>th</sup> Floor, Bloc C, Kassis Building, Antelias Highway<br>Antelias                | 66               |
| <b><u>Luxembourg</u></b>                                    |   |                  |
| Mondi Packaging S.à r.l                                     | 1, rue Hilegard von Bingen. 1282  | 100              |
| Mondi S.à r.l. <sup>2</sup>                                 | 1, rue Hilegard von Bingen. 1282  | 100              |
| Mondi Services S.à r.l.                                     | 1, rue Hilegard von Bingen. 1282  | 100              |
| <b><u>Mexico</u></b>  |   |                  |
| Caja de Ahorro de Personal de Mond<br>Mexico Servicios A.C. | Av. San Nicolás No. 249, Colonia Cuauhtémoc, San<br>Nicolás de los Garza, Nuevo León, 66450 | 100              |
| Mondi Mexico S. de R.L. de C.V.                             | Av. San Nicolás No. 249, Colonia Cuauhtémoc, San<br>Nicolás de los Garza, Nuevo León, 66450 | 100              |
| Mondi Mexico Servicios S.de R.L. de C.V.                    | Av. San Nicolás No. 249, Colonia Cuauhtémoc, San<br>Nicolás de los Garza, Nuevo León, 66450 | 100              |
| <b><u>Morocco</u></b>                                       |   |                  |
| L'Ensachage Moderne Sarl                                    | Rue Boukraa N1, Quartier Industriel Dokkarat, Fès   | 80.64            |
| Pap Sac Maghreb SA  | Km 16, Route d'El Jadida, Casablanca  | 80.64            |
| <b><u>Netherlands</u></b>                                   |   |                  |
| Mondi Coating B.V.  | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi Consumer Bags & Films B.V.                            | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi Consumer Bags & Films Benelux<br>B.V.                 | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi Corrugated B.V.                                       | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi Corrugated Poland B.V.                                | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi Heerlen B.V.  | Imstenerweg 15, 6422 PM Heerlen   | 100              |
| Mondi Industrial Bags B.V.                                  | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi International Holdings B.V. <sup>2</sup>              | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi Maastricht N.V.                                       | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi MENA B.V.   | Fort Willemweg 1, 6219 PA Maastricht  | 70               |
| Mondi Packaging Paper B.V.                                  | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| Mondi Paper Sales Netherlands B.V.                          | Bruynvisweg 14, 1531 AZ, Wormer   | 100              |
| Mondi SCP Holdings B.V. <sup>2</sup>                        | Fort Willemweg 1, 6219 PA Maastricht  | 100              |
| <b><u>Norway</u></b>  |   |                  |
| Mondi Moss AS   | Rådmann Sirasvei 1, 1712, Grålum  | 100              |
| <b><u>Oman</u></b>  |   |                  |
| Mondi Oman LLC  | P.O. Box 20, 124, Muscat Governorate, As Seeb, Al<br>Rusayl                                 | 49               |
| <b><u>Poland</u></b>  |   |                  |
| Agromasa Sp. z o.o.   | ul. Bydgoska 1, 86-100 Świecie  | 100              |
| Fredonia Investments Sp. z o.o.                             | ul. Bukowa 21, 87-148, Łysomice   | 100              |
| Mondi Bags Mielec Sp. z o.o.                                | ul. Wojska Polskiego 12, 39-300 Mielec  | 100              |
| Mondi Bags Świecie Sp. z o.o.                               | ul. Bydgoska 12, 86-100 Świecie   | 100              |
| Mondi BZWP Sp z o.o.  | ul. Zamenhofa 36, 57-500 Bystrzyca Kłodzka  | 100              |

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 10. Investments (continued)

| Company  | Registered office   | % of shares held |
|--|---|------------------|
| <b><u>Poland (continued)</u></b>                 |   |                  |
| Mondi Corrugated Świecie Sp z o.o.               | ul. . Bydgoska 1, 86-100 Świecie                                      | 100              |
| Mondi Dorohusk Sp z o.o.                         | Brzezno 1, 22-174 Brzezno   | 100              |
| Mondi Poznań Sp. z o.o.                          | ul. Wyzwolenia 34/36, 62-070 Dopiewo ul.                              | 100              |
| Mondi Recykling Polska Sp. z o.o.                | ul. Bydgoska 1, 86-100 Świecie  | 100              |
| Mondi Simet Sp. z o.o.                           | Grabonóg 77, 63-820 Piaski  | 100              |
| Mondi Solec Sp. z o.o.                           | Solec 143, 05-532 Baniocha  | 100              |
| Mondi Świecie S.A.                               | ul. Bydgoska 1, 86-100 Świecie  | 100              |
| Mondi Szczecin Sp z o.o.                         | Słoneczna 20, 72-123 Kliniska Wielkie                                 | 100              |
| Mondi Warszawa Sp z o.o.                         | ul. Tarczyńska 98, 96-320 Mszczonów                                   | 100              |
| Mondi Wierzbica Sp. z o.o.                       | Kolonia Rzeków 76, 26-680 Wierzbica                                   | 100              |
| Świecie Rail Sp. z o.o.                          | ul. Bydgoska 1, 86-100 Świecie  | 100              |
| Świecie Recykling Sp. z o.o.                     | ul. Bydgoska 1/417, 86-100 Świecie                                    | 100              |
| <b><u>Romania</u></b>                            |   |                  |
| Mondi Bucharest S.R.L.                           | Filderman Wilhelm Nr. 4/3/19, Sector 3, 030353 Bucharest              | 100              |
| <b><u>Russia</u></b>                             |   |                  |
| LLC Mondi Aramil                                 | 25 Klubnaya Street, 62400 Aramil, Sverdlovskii Region                 | 100              |
| LLC Mondi Lebedyan                               | Lva Tolstogo, Building 80, Office 52, 399612 Lebedyan, Lipetsk Region | 100              |
| LLC Mondi Pereslavl                              | Mendeleeva sq. 2, Building 55, 152025 Pereslavl-Zalesski              | 100              |
| LLC Mondi Syktyvkar Energy Company               | pr. Bumazhnikov 2, 167026 Syktyvkar, Republic of Komi                 | 100              |
| Joint Stock Company Mondi Syktyvkar <sup>1</sup> | pr. Bumazhnikov 2, 167026 Syktyvkar, Republic of Komi                 | 100              |
| OOO Mondi Sales CIS                              | 2nd Brestskaya str. 8 Floor 13, 123047, Moscow                        | 100              |
| <b><u>Serbia</u></b>                             |   |                  |
| Mondi Šabac d.o.o. Šabac                         | Severna 4 No.2, 15000 Šabac   | 100              |
| <b><u>Singapore</u></b>                          |   |                  |
| Mondi Packaging Paper Sales Asia Pte. Limited    | 3 Anson Road 27-01, Springleaf Tower, 079909                          | 100              |
| <b><u>Slovakia</u></b>                           |   |                  |
| East Paper, spol. s.r.o. <sup>5</sup>            | Rastislavova 98, Kosice, 04346  | 26.01            |
| Mondi SCP, a.s.                                  | Tatranská cesta 3, 03417 Ružomberok                                   | 51               |
| Obaly Solo, s.r.o                                | Tatranská cesta 3, 03417 Ružomberok                                   | 51               |
| RECOPAP, s.r.o. <sup>5</sup>                     | Bratislavská 18, Zahor, 90051   | 25.5             |
| Slopaper Collection s.r.o. <sup>4</sup>          | Tatranská cesta 3, 03417 Ružomberok                                   | 51               |
| Slopaper Recycling s.r.o.                        | Tatranská cesta 3, 03417 Ružomberok                                   | 51               |
| SLOWOOD Ruzomberok a.s.                          | Tatranská cesta 3, 03417 Ružomberok                                   | 33.66            |
| STRÁŽNA SLUŽBA VLA-STA s.r.o                     | Tatranská cesta 3, 03417 Ružomberok                                   | 51               |

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

| 10. Investments (continued)                      |  |                  |
|--|--|------------------|
| Company  | Registered office  | % of shares held |
| <b><u>Spain</u></b>                              |  |                  |
| Mondi Sales Iberica S.L.                         | Calle Joaquin Costa 36 2a, 28002 Madrid  | 100              |
| Powerflute International S.L.                    | Josep Irla I Bosch, 1-3 P.6 PTA.2, 08034 Barcelona   | 100              |
| <b><u>Sweden</u></b>                             |  |                  |
| Mondi Dynäs AB                                   | 87381 Väja   | 100              |
| Mondi Örebro AB                                  | Pappersbruksallen 3A, Box 926, 70130 Örebro  | 100              |
| <b><u>Switzerland</u></b>                        |  |                  |
| Dipeco AG  | Bruehlstraße 5, 4800 Zofingen  | 100              |
| <b><u>Thailand</u></b>                           |  |                  |
| Mondi Bangkok Company, Limited. <sup>2</sup>     | 789/10 Moo 9 Bang Pla Sub-District, Bang Phli District, Bangkok, Samut Prakan Province               | 100              |
| Mondi Coating (Thailand) Co. Ltd.                | Nr 888/100-101 Soi Yingcharoen Moo 19, Bangplee-Tamru Road, Bangpleeyai, Bangplee, Samutprakam 10540 | 100              |
| Mondi TSP Company Limited. <sup>3</sup>          | 110, Moo 3, Nong Chumpon Nuea, Khao Yoi District, Petchaburi Province, 76140                         | 97.55            |
| <b><u>Trinidad and Tobago</u></b>                |  |                  |
| TCL Packaging Limited <sup>5</sup>               | Southern Main Road, Claxton Bay  | 20               |
| <b><u>Turkey</u></b>                             |  |                  |
| Mondi Istanbul Ambalaj Limited Şti.              | No. 12A Türkgücü OSB Mah. Yilmaz Alpaslan Caddesi Corlu, Tekirdag, 59870                             | 100              |
| Mondi Kale Nobel Ambalaj Sanayi Ve Ticaret A. Ş. | Sevketiye Cobancesme Kavsagi, A2 Blok, No. 229/230 Yeşilköy, Bakirköy/Istanbul                       | 100              |
| Mondi Tire Kutsan Kağıt Ve Ambalaj Sanayi A.Ş.   | Toki Mahallesi, Hasan Tahsin Caddesi, No. 28, Tire, Izmir 35900                                      | 79.15            |
| <b><u>Ukraine</u></b>                            |  |                  |
| Mondi Packaging Bags Ukraine LLC                 | Fabrychna Street 20, Zhydachiv, Lviv Region, 81700   | 100              |

## Mondi Investments Limited

### Notes to the financial statements (continued)

for the year ended 31 December 2020

#### 10. Investments (continued)

| Company  | Registered office   | % of shares held |
|--|---|------------------|
| <b><u>United Kingdom</u></b>                       |   |                  |
| Frantschach Holdings UK Limited                    | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Hypac Limited <sup>2</sup>                         | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Medway Packaging Pension Trustee Limited           | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Aberdeen Limited                             | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Consumer Goods Packaging UK Ltd <sup>2</sup> | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Finance plc <sup>2</sup>                     | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Glossop Ltd                                  | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Holcombe Limited <sup>2</sup>                | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Packaging (Delta) Limited                    | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |

## Mondi Investments Limited

### Notes to the financial statements (continued)

for the year ended 31 December 2020

#### 10. Investments (continued)

| Company  | Registered office   | % of shares held |
|--|---|------------------|
| <b><u>United Kingdom (continued)</u></b>               |   |                  |
| Mondi Packaging Limited                                | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Packaging UK Holdings Limited                    | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Scunthorpe Limited <sup>1</sup>                  | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi Services (UK) Limited <sup>2</sup>               | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi UK Consumer Packaging Holding 1 Ltd <sup>2</sup> | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Mondi UK Consumer Packaging Holding 2 Ltd <sup>2</sup> | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| Powerflute Group Holdings Limited                      | Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG | 100              |
| <b><u>United States of America</u></b>                 |   |                  |
| Mondi Akrosil, LLC                                     | 251 Little Falls Drive, Wilmington DE 19808                                     | 100              |
| Mondi Bags USA, LLC                                    | 251 Little Falls Drive, Wilmington DE 19808                                     | 100              |
| Mondi Jackson, LLC                                     | 251 Little Falls Drive, Wilmington DE 19808                                     | 100              |
| Mondi Minneapolis, Inc.                                | 220 South Sixth Street, Suite 2200, Minneapolis 55402                           | 100              |
| Mondi Romeoville, Inc.                                 | 251 Little Falls Drive, Wilmington DE 19808                                     | 100              |
| Mondi Tekkote LLC                                      | 251 Little Falls Drive, Wilmington DE 19808                                     | 100              |

<sup>1</sup> These companies have ordinary and preference shares.

<sup>2</sup> These companies are held directly.

<sup>3</sup> 49% of this company is held directly.

<sup>4</sup> % of shares held in 2019: nil

<sup>5</sup> Associated undertaking

The Company did not have any associates as at 31 December 2020.

#### 11. Trade and other receivables

|                   | 2020           | 2019           |
|-------------------|----------------|----------------|
|                   | €              | €              |
| Other receivables | 744,439        | 786,488        |
|                   | <u>744,439</u> | <u>786,488</u> |

#### 12. Amounts owed by group undertakings

|                                    | 2020           | 2019             |
|------------------------------------|----------------|------------------|
|                                    | €              | €                |
| Amounts owed by group undertakings | 364,317        | 5,146,440        |
|                                    | <u>364,317</u> | <u>5,146,440</u> |

Interest on amounts owing by group undertakings is earned at current market rates and amounts owing are payable on demand.

# Mondi Investments Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 13. Trade and other payables

|                                    | 2020<br>€ | 2019<br>€ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 1,082,447 | 5,369,042 |

### 14. Derivative financial instruments

|  | 2020<br>€      | 2019<br>€    |
|--|----------------|--------------|
| <b>Derivatives carried at fair value through profit or loss</b>                                |                |              |
| <b>Held for trading derivatives that are not designated in hedge accounting relationships:</b> |                |              |
| Foreign exchange contracts   |                |              |
| - Asset  | -              | 6,819        |
| - Liability  | (4,058)        | -            |
|  | <u>(4,058)</u> | <u>6,819</u> |

### 15. Deferred tax

The Company has the following amounts in respect of which no deferred tax asset has been recognised due to the unpredictability of future profit streams or gains against which these could be utilised:

|  | 2020<br>€      | 2019<br>€      |
|--|----------------|----------------|
| <b>Tax losses – trading</b>                  |                |                |
| At 1 January                                 | 216,810        | 216,810        |
| Loss true-up for prior year filed tax return | 44,192         | -              |
| At 31 December                               | <u>261,002</u> | <u>216,810</u> |

The tax losses have no expiry date as at 31 December 2020 (2019: none) and may be carried forward indefinitely.

### 16. Called up Share capital

|   | 2020<br>€     | 2019<br>€     |
|---|---------------|---------------|
| <b>Issued, called up and fully paid</b> |               |               |
| 1 share of £1                           | 2             | 2             |
| 20,677 shares of \$1                    | 15,309        | 15,309        |
|   | <u>15,311</u> | <u>15,311</u> |

The holder of the sterling share shall not be entitled to receive notice of, attend or vote at General Meetings, to receive any dividends or to any return of capital on a winding-up.

## Mondi Investments Limited

### Notes to the financial statements (continued)

for the year ended 31 December 2020

#### 17. Dividends

|                                  | 2020<br>€   | 2019<br>€   |
|----------------------------------|-------------|-------------|
| Dividend paid during the year    | 164,000,000 | 830,000,000 |
| Dividend per share (€ per share) | 7,931.52    | 40,141.22   |

#### 18. Ultimate parent company

The immediate and ultimate parent company and controlling entity is Mondi plc, a company incorporated in the United Kingdom and registered in England and Wales. Mondi plc is the parent company of the largest and smallest group which includes the Company and for which consolidated financial statements are prepared. The consolidated financial statements of Mondi plc may be obtained from the Company Secretary, Building 1, 1<sup>st</sup> Floor, Aviator Park, Station Road, Addlestone, Surrey KT15 2PG.