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Quarterly Report 110
Summer 2026

smart, simple, safe trading

The Marketplace for PRNs **Q1 2026**

Market Status Report By Tom Rickerby, Head of Trading

Intro

The PRN market in Q1 2026 can be best described as dysfunctional. The delayed sellers' portal meant PRNs could not be registered or issued in January and much of February, bringing the Spot market to an effective standstill. Despite its eventual launch, portal teething problems caused widespread frustration for sellers and further restricted PRN flow. Failure to provide timely, coherent and accurate monthly supply data became the most controversial talking point of 2026. The lack of reliable data fundamentals amplified market stress and distorted price signals – See Page 3.

252,410 tonnes traded in the period, up 4% on the same period last year. 116,896 tonnes traded in the Spot market, 39,386 tonnes traded in the 28 Rolling market, and 96,128 tonnes traded in the 2026 Forward markets.

Paper

A united and resolute selling community dragged Paper prices off the floor in Q1 after their record collapse in 2025. Patience was required: cheap Transitional Paper left buyers with little early appetite and reluctance to add oxygen to the bullish sentiment shift. Rising accreditation and administrative costs, plus a less predictable supply outlook, fortified sellers and supported a consensus of offers around £5.00 per tonne during the early 2026 rebuild. It was mid-March before meaningful Spot activity opened at £4.25, up 183% on the closing Transitional price (£1.50). With higher values established and growing evidence of disrupted supply, buying interest increased. This brought upward momentum to the market, which closed the quarter up a further 47% at a 24-month high of £6.25. After the slow start, volume was also up 143% year on year.

Plastic

Confirmation of a strong Plastic carry-in, up 46% year on year, might previously have dampened Q1 prices. However, positive news for buyers was overshadowed by an increasingly high-risk 2026 compliance outlook. Strong obligation growth forecasts based on initial H1 packaging data, stricter accreditation conditions, unreliable supply data, upcoming EU restrictions on Plastic export and weak sentiment across recycling markets drove high opening-quarter demand. The new issuing point for export PRNs further restricted the flow of PRNs into the open market and could create uncertainty in Q4 if the market remains tight. Weakened supply saw Spot prices rally 32% to £350.00 by mid-March, the quarter high and second highest Q1 Plastic price on record. Improved availability in the second half then saw prices soften, fluctuating between £285.00 and £325.00. The Q1 Spot average (£300.32) was Plastic's second-highest opening-quarter average and fifth-highest quarterly average of all time.

Steel

Steel staged the most unlikely Q1 recovery, rallying from a near zero value finish in 2025 to hit a first-quarter high of £50.00 per tonne in the 28 Day Rolling market. The Spot market was close behind, rising 470% to close at £40.00 per tonne, a price matched across the Forward markets. Steel's bounce cannot be attributed to a significant shift in underlying fundamentals, but rather bureaucratic and administrative disruption caused partly by the change in reporting methodology. Bulk Steel sellers have struggled to incorporate the complex, granular PRN summary log requirements, having previously claimed on simplified aggregated out-goings with national protocols applied. This resulted in fewer PRNs uploaded to the system and limited availability. Delayed accreditation applications and failure to get overseas mills approved in the revised system further hampered generation and availability in Q1. Despite higher values, Steel trading on t2e was down 26% on the previous three-year Q1 average, reflecting deteriorating supply confidence.

Q4 Nov 2025 - Jan 2026	High	Low	Traded this quarter	Quarterly Average Price	YTD Average Price	Total Volume
Paper						
Spot 2026	£6.25	£2.00	27,636	£5.02	£2.99	64,999
28 Day Rolling 2026	£6.00	£4.75	10,876	£5.12	£5.12	10,876
APR Forward 2026	£4.75	£3.00	17,500	£4.26	£4.26	17,500
JUL Forward 2026	£6.00	£4.25	18,000	£5.05	£5.05	18,000
Plastic						
Spot 2026	£350.00	£265.00	33,002	£300.32	£283.59	44,002
28 Day Rolling 2026	£350.00	£265.00	20,501	£294.16	£289.03	23,325
APR Forward 2026	£350.00	£265.00	8,400	£286.31	£284.03	8,800
JUL Forward 2026	£350.00	£275.00	9,378	£294.53	£293.11	9,628
OCT Forward 2026	£350.00	£275.00	7,700	£289.55	£287.99	7,950
DEC Forward 2026	£285.00	£275.00	5,200	£279.23	£277.43	5,450
Transitional JAN Forward 2027	£285.00	£285.00	1,100	£285.00	£285.00	1,100
Glass Other						
Spot 2026	£96.00	£83.00	11,890	£91.82	£91.05	12,506
APR Forward 2026	£85.00	£85.00	1,500	£85.00	£86.25	2,000
JUL Forward 2026	£91.00	£85.00	4,000	£88.75	£88.89	4,500
OCT Forward 2026	£91.00	£91.00	2,500	£91.00	£90.68	3,700
DEC Forward 2026	£91.00	£91.00	2,500	£91.00	£91.00	2,500
Glass Remelt						
Spot 2026	£104.00	£99.00	15,107	£99.88	£100.48	17,107
28 Day Rolling 2026	£101.00	£99.00	3,000	£100.00	£100.00	3,000
Steel						
Spot 2026	£40.00	£7.00	11,432	£37.20	£29.33	15,226
28 Day Rolling 2026	£50.00	£25.00	2,809	£40.31	£40.31	2,809
APR Forward 2026	£40.00	£40.00	1,000	£40.00	£40.00	1,000
JUL Forward 2026	£40.00	£40.00	1,500	£40.00	£40.00	1,500
OCT Forward 2026	£40.00	£40.00	1,600	£40.00	£40.00	1,600
DEC Forward 2026	£40.00	£40.00	1,500	£40.00	£40.00	1,500
Wood						
Spot 2026	£15.00	£15.00	16,829	£15.00	£14.18	18,534
28 Day Rolling 2026	£15.00	£10.00	2,200	£14.55	£14.55	2,200
APR Forward 2026	£15.00	£7.50	4,000	£11.25	£10.00	6,000
JUL Forward 2026	£10.00	£7.50	2,500	£8.00	£7.78	4,500
OCT Forward 2026	£10.00	£7.50	2,500	£8.00	£7.78	4,500
DEC Forward 2026	£10.00	£7.50	2,500	£8.00	£7.78	4,500
Aluminium						
Spot 2026	£60.00	£35.00	1,000	£50.75	£35.58	1,593
APR Forward 2026	£75.00	£75.00	250	£75.00	£75.00	250
JUL Forward 2026	£85.00	£75.00	500	£80.00	£80.00	500
OCT Forward 2026	£75.00	£75.00	250	£75.00	£75.00	250
DEC Forward 2026	£75.00	£75.00	250	£75.00	£75.00	250

Aluminium

Aluminium markets staged a similar Q1 comeback, with higher PRN values reflecting less the health of Aluminium recycling than the current system's inability to account for it accurately. Aluminium sellers have a history of exploiting market uncertainty and instability, and there was plenty to lean into in Q1. Spot prices rose 71% to £60.00 per tonne on weak availability, while the quarter high of £85.00 was achieved in the July Forward market. Low t2e trading volumes in Q1, down 77% on the ***[Continued on page 2]***

Managing Director's Comments - May 2026

Looking back at Q1 2025 little seems to have changed in the last year, concern and confusion remain. Not only internationally where the conflict with Iran has had a global impact on the reliability and cost of shipping and caused a spike in the price of oil but also more specifically the data challenges of using the RPD (obligation – demand side) and the RREPW (available PRNs – supply side). See page 3 for more detail about the consequences and impact of unreliable data. While it is inevitable that a new system will take time to settle down, this transition period has not only proved to be lengthy but also stressful and a significant contributor to price volatility. Price movement is inevitable in a dynamic market which is impacted by global events – the spike in oil price is a timely reminder that it is not just PRN prices that move! And the time it is taking for the changes to bed down should sound alarms to those that are advocating further change.

Looking at other markets Forward contracts where price and volume are fixed at a time and date in the future are used to obtain price certainty in an environment of moving prices. Nobody knows what the Spot price at the delivery date might be, but that is irrelevant in a Forward contract as both counter parties know the price and volume they have contracted for that date and can plan accordingly. This offers far more certainty than entering into an option contract based against the t2e Spot price, which while securing a market for the volume provides no price certainty leaving both counter parties as exposed as though they had not entered into a contract at all. If the counter parties choose to secure a contract with each other off market without fixing the price but still seek the price certainty of a Forward contract, both counter-parties should enter into a reverse Forward contract, (the buyer becoming the seller and the seller becoming the buyer) and then trade out of it on or before the time of delivery of those contracts. A simple and well used way to secure certainty in other volatile markets.

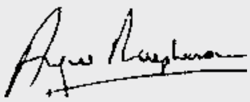
The Food and Drink Federation (FDF) have proposed the removal of PRNs on non-commercial and industrial waste on the grounds that they are neither transparent nor stable, and therefore not conducive to planning or investment. Yet every industry works in an environment of volatile prices and plans and makes successful investment decisions. Surely volatility is not grounds for the removal of the PRN. How else is the risk going to be absorbed? Further the removal of the PRN on local authority packaging waste will provide no cost saving for producers. Without PRN funds trickling down into the market price to offset costs for collectors, including local authorities, the funds will need to be added to the EPR payments made by producers to Pack UK.

Greater transparency of the use of funds is requested to make it easier to identify value for money rather than just lowest cost compliance. It is also hoped that this transparency will support UK recycling infrastructure and reduce unnecessary exports. A far more effective and simpler solution would be to set up a domestic material specific recycling target within the PRN system.

It is not clear how this additional transparency might lead to greater efficiency as the FDF aspire. A central recycling organisation is a model to which Producer Responsibility aspired when it started in 1997, however, it swiftly became clear then that not only was it a model that added significant additional costs but also assumed that third parties could identify efficiencies that the recycling and collection industries had failed to identify.

These are challenging times. There are sufficient moving parts to put the current system under significant stress. Let us see how it performs, once it has bedded down, it will be possible to see if the current ambitions of Extended Producer Responsibility are achieved. These are far greater issues that are preventing investment in the industry than the PRN system. There is nothing to suggest that any new system is going to be more effective or less vulnerable for fraud than the current system well regulated.

Once again thank you for your support through this challenging quarter, we look forward to being of service to you through the remainder of this year and beyond.



Angus Macpherson
Managing Director

[Continued from page 1] same period last year, reflect restricted supply. Conflict damage and the closure of one of the world's largest Aluminium smelters in the Middle East may also affect Aluminium supply chains and trade in 2026.

Wood

It took nearly three months for the first Wood Spot trade of the 2026 compliance year. Liquidity issues aside, buyers were slow to meet sellers' early price expectations, which aligned with the closing 2025 price and market upswing. Once established, the £15.00 per tonne price traded consistently for the rest of the period and represents the highest quarterly average Wood Spot price for three years. In the absence of Spot options, earlier traction was established in the Forward markets, where trades at £7.50 and £10.00 per tonne already look like a strong hedge for buyers. Wood generation looks weak on paper but has been disrupted by fewer accredited sellers and operational challenges with the new reporting protocols and methodology, issues buyers will hope resolve in time.

Glass Remelt

Q1 trading in Remelt markets hinged on an arm wrestle over the £100.00 per tonne threshold. Having re-established three-figure pricing in Q4 2025, sellers were determined to hold higher values at the start of the new compliance year. Buyers, armed with a narrative of declining Glass demand, sought to bring the market below £100.00. Neither party gained a significant foothold. Spot prices opened at £104.00, softened to £99.00 by early March, then rebounded to close the quarter at £100.50. Weak traded volume on t2e, down 62% year on year, combined with public data suggesting less than a third of Q1 Remelt PRNs have been issued, presents an inactive market with limited support at current prices.

Glass Aggregate

Whist Remelt prices treaded water for much of Q1, Aggregate's price built upward momentum, reducing the price differential between the two Glass markets. Aggregate opened at £83.00 per tonne, trading at a 20% discount to Remelt, but closed the quarter up 16% at £96.00 per tonne reducing the discount to only 4%. Weak supply data appears to justify the price action and buyers' decision to prioritise Aggregate's discount values over support of the Remelt price.

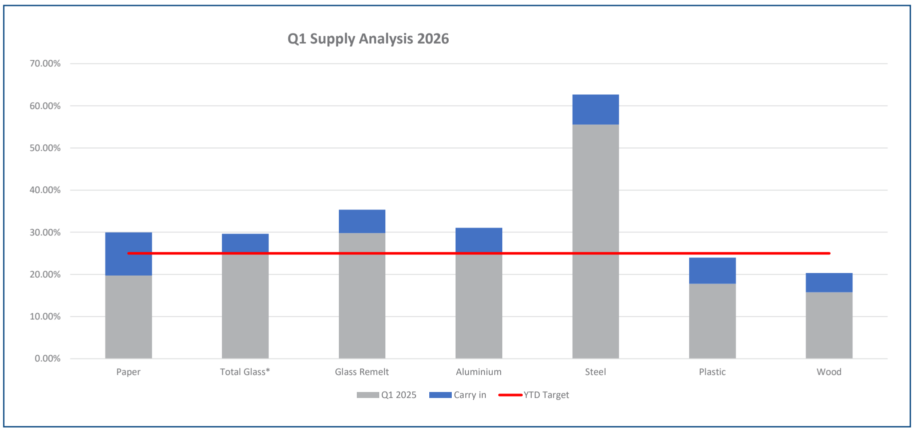
Q1 2026, Supply & Demand Analysis

By Andrew Letham, Operations Manager

In view of the ongoing reporting challenges and reduced visibility of both supply and demand fundamentals, I have replaced usual market commentary this quarter with a discussion of the data limitations currently affecting market transparency. Whilst we continue to provide the accompanying market data table, readers should exercise caution when interpreting the figures. Changes to reporting methodologies, delays in data availability and reduced visibility of key market indicators mean the published data may not present a complete picture of the underlying compliance position.

Material	Carry In	Q1	2026 Obligation	YTD Supply + Carry In	Balance
Paper	366,386	707,843	3,582,514	1,074,229	-2,508,285
Total Glass*	76,612	397,966	1,601,294	474,578	-1,126,716
Glass Remelt	66,675	358,190	1,200,971	424,865	-776,106
Aluminium	8,290	36,192	143,312	44,482	-98,830
Steel	22,977	179,877	323,717	202,854	-120,863
Plastic	73,245	210,521	1,182,551	283,766	-898,785
Wood	25,205	87,029	551,654	112,234	-439,420
Total	*572,715*	*1,619,428*	*7,267,182*	*2,192,143*	*-5,192,899*

**Total Glass consists of the combined total supply of Glass Remelt and Glass Aggregate.*



Beyond the operational challenges associated with the rollout of the new system, a number of practical difficulties continue to affect day-to-day market activity. Much of the uncertainty currently being experienced from the ability of market participants to accurately interpret the information available to them. In a market where compliance decisions rely heavily on published data, transparency and consistency are essential. Recent changes to reporting and data availability have, however, made it increasingly difficult to establish a clear view of market conditions and future compliance risk.

The move to monthly reporting had the potential to significantly improve market transparency by providing more timely visibility of supply positions. In practice, however, the benefits of increased reporting frequency have been offset by challenges surrounding the interpretation and usability of the data being published.

One of the key concerns relates to reported recycling tonnages. Whilst significant volumes may appear within monthly reports, these figures are not necessarily comparable with historical reporting. In addition, revised point-of-claim requirements mean material can appear within reported tonnages before it becomes eligible for evidence generation. As a result, visible tonnage does not necessarily represent evidence that will ultimately be available to satisfy compliance obligations.

This becomes increasingly relevant later in the compliance year, when material exported towards year-end may contribute to reported recycling totals but not generate valid evidence for the same compliance period. Without a clear distinction between reported tonnage and evidence-generating material, there is a risk that available supply may be overstated.

Further complexity arises from reporting outputs that can appear to count material at multiple stages before evidence generation. Whilst technically accurate, the presentation can create the impression that greater volumes exist within the system than are actually available for compliance purposes, increasing the likelihood of differing interpretations across the market.

The reduction in material-specific reporting has also limited visibility of underlying supply trends. Previously available information on recycling activity and waste flows provided valuable insight into individual material streams and helped market participants understand developing supply dynamics. Its removal has reduced transparency and increased reliance on assumption and speculation.

Accessibility remains another challenge. Current reporting outputs often require significant manipulation before meaningful conclusions can be drawn. Whilst larger organisations may have the resources to undertake this analysis, many smaller participants do not. The introduction of simple summary reports showing cumulative supply positions and key market indicators would improve accessibility and encourage more consistent interpretation across the market.

On the demand side, the reduction in available information may have had an even greater impact on confidence. Historically, live demand reporting provided one of the most valuable indicators of market balance and compliance risk. Without visibility of developing obligations, participants are required to make procurement decisions based on incomplete information, increasing uncertainty and making accurate forecasting more difficult.

Similarly, the removal of summary statistics relating to producer registrations, compliance scheme membership and independent compliance activity has reduced the market's ability to validate assumptions regarding overall demand. These metrics often acted as useful early indicators of significant changes in obligation levels and provided an important cross-check against published demand data.

Alongside these specific issues, broader concerns remain around consistency and communication. Frequent changes to reporting formats make analysis more difficult and increase administrative burden. Greater consistency, clearer communication regarding changes, and predictable release schedules would help improve understanding and confidence. Equally important is ensuring all participants receive information simultaneously, supporting fair access and reducing avoidable volatility.

These observations are not intended as criticism of the significant work involved in implementing a major system change. Rather, they highlight a number of practical improvements that could enhance transparency, reduce uncertainty and improve confidence across the market. At a time when participants continue to struggle to establish reliable price expectations, improvements in data quality, accessibility and communication may represent some of the most effective measures available to support a more stable and efficient market.

t2e Reprocessor and Exporter Survey 2026

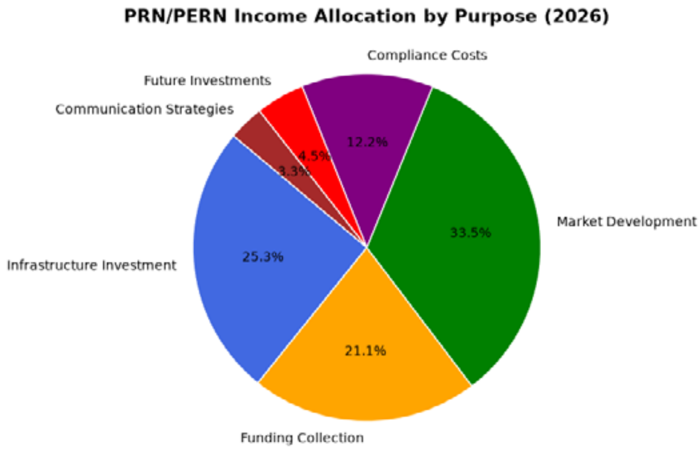
A more equal division between Reprocessors and Exporters was observed in this year's survey, with Exporters accounting for 54% of respondents, 9% higher than Reprocessors at 45%. A closer alignment than previous years' results.

Plastic recyclers, as is often the case, make up the lion's share of participants, and although down from the 64.8% observed in 2025, they accounted for 51.4% of survey completions. The breakdown for the remaining six material recyclers is as follows:

- Paper - 21.6%
- Aluminium – 10.8%
- Glass Remelt – 8.1%
- Glass Other – 5.4%
- Steel – 5.4%
- Wood – 2.7%

There was a sense of optimism regarding the amount of packaging waste which respondents intend to reprocess/export in 2026 compared to the amount that was achieved in 2025. Collectively participants aim to recycle 2,300,589 tonnes (t) this year, while the same group reported to have reprocessed/exported 1,299,082t in 2025. Should the 2026 figure come to fruition, this would see an increase of over 77%.

A similar theme to last year was noticed when participants were asked how they allocated PRN income in 2025 and how they intend to allocate this year. **Market Development**, somewhat unsurprisingly, remains at the forefront of peoples' minds, with an intended 33.5% of income dedicated to growing one's customer base and market share. **Infrastructure Investment** found itself a close second with 25.3% of income earmarked for repairing or replacing equipment, machinery etc. **Funding Collection** maintained its place as the third most important factor, finding 21.1% of PRN income allocated to it. A big gap to the final three causes, **Compliance Costs**, **Future Investments**, and **Communication Strategies** seeing 12.2%, 4.5%, and 3.3% assigned to them, respectively.



This question related to intended income allocation follows the wider PRN Revenue Report published on the NPWD in March of this year. A total of £322,471,936.00 was reported across all material types from both Reprocessors and Exporters. Although the three top spots did match with that of the t2e Reprocessor and Exporter Survey, the order was found to be contrary. The Revenue Report highlights the cause that received most investment from PRN income was **Funding Collection**, securing £112,965,081.00 (35%) of total revenue. **Investment in Infrastructure** when asked of the wider market was again deemed the second most focused on cause, growing 4% from its share on the t2e survey to 29.6% or £95,351,082.00. The survey frontrunner, **Market Development [Reduction in price and developing new markets]**, had £82,280,445.00 (25.5%) of income allocated against it, bringing it down to third slot.

Material Type	Accreditation Type	Infrastructure and capacity	Funding collection	Reduction in price and developing new markets	Costs of complying with the regulations	Retained for future investment	Developing communication strategies	Total
Aluminium	Exporter	4,022,773	876,666	819,883	139,051	306,698	328,956	**6,494,027**
Aluminium	Reprocessor	1,966,886	0	120,929	52,024	0	305,181	**2,445,020**
Glass Other	Exp & Rep	14,251,732	5,272,842	2,726,108	517,263	992,808	141,165	**23,901,919**
Glass Re-melt	Exporter	22,222,007	41,364,867	15,385,885	2,179,469	4,654,232	461,103	**86,267,563**
Glass Re-melt	Reprocessor	2,478,796	11,308,386	1,104,392	289,824	460,365	31,200	**15,672,962**
Paper/Board	Exporter	479,959	48,893	413,548	63,037	392,780	0	**1,398,216**
Paper/Board	Reprocessor	245,805	824,286	2,276,780	202,039	13,193	59,874	**3,621,979**
Plastic	Exporter	33,667,888	19,255,249	17,893,043	2,715,372	7,829,863	662,927	**82,024,342**
Plastic	Reprocessor	14,745,674	33,512,699	40,178,779	1,652,921	6,456,438	560,670	**97,107,181**
Steel	Exporter	84,645	0	5,695	25,000	0	0	**115,340**
Steel	Reprocessor	579,280	194,847	1,052,590	234,065	11,853	51,000	**2,123,636**
Wood	Exp & Rep	605,635	306,345	302,814	40,864	34,249	9,846	**1,299,752**
	Total	**95,351,082**	**112,965,081**	**82,280,445**	**8,110,929**	**21,152,478**	**2,611,922**	**322,471,936**

** Data for glass other and wood has not been split by operator type as release of this data will breach EIR Regulation 12(5)(e) - the confidentiality of commercial or industrial information where such confidentiality is provided by law to protect a legitimate economic interest.*

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