Årsredovisning

Attends Healthcare Holdings AB

Org.nr 556628-7339

Räkenskapsår 2022-01-01 - 2022-12-31

Fastställelseintyg
Undertecknad styrelseledamot i Attends Healthcare Holdings AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 29/6 -23 Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Aneby 29 juni 2023

Anna Södergren

Årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31

Styrelsen för Attends Healthcare Holdings AB avger följande årsredovisning.

Innehåll | **Sida**

Styrelsens säte: Aneby
Företagets redovisningsvaluta: Euro (EUR).
Alla belopp redovisas, om inget annat anges, i tusentals Euro (TEUR). Till följd av detta kan avrundningsdifferenser förekomma.

Förvaltningsberättelse

Information om verksamheten

Bolaget äger och förvaltar aktier i dotterbolag.

Väsentliga händelser under räkenskapsåret

Under räkenskapsåret påverkades koncernen liksom omvärlden i övrigt av hög inflation i form av ökade råmaterialpriser, fraktpriser och konverteringskostnader samt höga räntor. Betydande prishöjningar har genomförts under året för att kompensera för dessa ökade kostnader och som kommer att ge full effekt nästkommande år. Parallellt med prishöjningar har koncernen genomfört omfattande kostnadseffektiviseringar som förväntas ge full effekt under nästkommande räkenskapsår.

Vad beträffar koncernens ekonomi och finansiella ställning har inflationen medfört ett lägre resultat för räkenskapsåret 2022.

Väsentliga händelser efter räkenskapsårets slut

Den höga inflationen förväntas fortsatt få en negativ påverkan för koncernen under räkenskapsår 2023. Dock kommer genomförda och planerade prishöjningar i kombination med kostnadseffektiviseringar under 2023 kompensera för detta och resultatet förväntas att bli högre under 2023.

Det säkerhetspolitiska läget i Europa är fortsatt osäkert. Styrelsens bedömning är dock i nuläget att bolaget och koncernen inte kommer påverkas väsentligt.

Ägarförhållanden

Bolaget är ett helägt dotterbolag till Attindas Hygiene Partners AB, org nr 556883-7099, med säte i Aneby.
Bolaget är moderbolag till Attends Healthcare AB, org nr 556563-1867, och Attends AB, org nr 556757-7258, båda med säte i Aneby.

Flerårsöversikt (TEUR)	**2022**	**2021**	**2020**	**2019**	**2018**
Nettoomsättning	0	0	0	0	0
Resultat efter finansiella poster	5 532	23 603	7 402	2 717	4 249
Balansomslutning	71 291	67 414	63 086	65 352	62 349
Soliditet (%)	47	50	53	49	11

Bolaget ändrade redovisningsvaluta från SEK till EUR under 2020. Jämförelsetalen i flerårsöversikten har räknats om till EUR. Vid omräkning har samma valutakurs använts för åren 2018-2019 för jämförbarhet.

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (EUR):

balanserad vinst	33 635 820
disponeras så att	
i ny räkning överföres	33 635 820
	33 635 820

Resultaträkning

TEUR

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Rörelsens intäkter			
Nettoomsättning		0	0
Rörelsens kostnader			
Övriga externa kostnader		0	0
Rörelseresultat	2, 3	**0**	**0**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	4	0	18 000
Övriga ränteintäkter och liknande resultatposter	5	5 532	5 603
		5 532	**23 603**
Resultat efter finansiella poster		**5 532**	**23 603**
Bokslutsdispositioner	6	-5 532	-5 603
Resultat före skatt		**0**	**18 000**
Årets resultat		**0**	**18 000**

Balansräkning

TEUR

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	7, 8	20 413	20 413
Fordringar hos koncernföretag	9	45 431	41 554
		65 844	**61 967**
Summa anläggningstillgångar		**65 844**	**61 967**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		5 447	5 447
SUMMA TILLGÅNGAR		**71 291**	**67 414**

Balansräkning

TEUR

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	10		
Bundet eget kapital			
Aktiekapital		10	10
Reservfond		2	2
		12	**12**
Fritt eget kapital			
Balanserad vinst eller förlust		33 636	15 636
Årets resultat		0	18 000
		33 636	**33 636**
Summa eget kapital		**33 648**	**33 648**
Kortfristiga skulder			
Skulder till koncernföretag		37 643	33 766
SUMMA EGET KAPITAL OCH SKULDER		**71 291**	**67 414**

Rapport över förändringar i eget kapital

TEUR

	Aktie-kapital	Bundna reserver	Fritt eget kapital	Summa eget kapital
Ingående eget kapital 2021-01-01	**10**	**2**	**33 636**	**33 648**
Årets resultat			18 000	18 000
Utdelning			-18 000	-18 000
Utgående eget kapital 2021-12-31	**10**	**2**	**33 636**	**33 648**
Årets resultat			0	0
Utgående eget kapital 2022-12-31	**10**	**2**	**33 636**	**33 648**

Ovillkorat aktieägartillskott ingår med 25 399 (25 399) TEUR.

Noter

TEUR

Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Utländska valutor

Fordringar och skulder i utländsk valuta värderas till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Finansiella instrument

Bolaget tillämpar K3, kapitel 11. Finansiella instrument som redovisas i balansräkningen inkluderar övriga fordringar, kortfristiga placeringar, leverantörsskulder och låneskulder. Dessa redovisas i balansräkningen när bolaget blir part genom avtalsmässiga villkor och tas bort när rätten att erhålla kassaflöden från instrument upphör, har överförts eller när förpliktelser har reglerats eller på annat sätt upphört.

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Kundfordringar och övriga fordringar

Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt.

Fordringar hos koncernföretag

Tillgångar ingående i posten redovisas inledningsvis till anskaffningsvärde. I efterföljande redovisning redovisas de räntebärande tillgångarna till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden, minskat med eventuell reservering för värdeminskning.

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Nedskrivning av icke-finansiella tillgångar

När det finns en indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. Vid bedömning av nedskrivningsbehov grupperas tillgångarna på de lägsta nivåer där det finns separata identifierbara kassaflöden (kassagenererande enheter). För tillgångar, andra än goodwill, som tidigare skrivits ner görs per varje balansdag en prövning av om återföring bör göras.

Inkomstskatter

Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Avsättningar

Som avsättning har redovisats förpliktelser gentemot tredje man som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen antingen är säkra eller sannolika till sin förekomst men oviss till belopp eller till den tidpunkt då de ska infrias.

Koncernbidrag

Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget AIPCF VII DPC Funding, LP Cayman Islands upprättar koncernredovisning.

I denna årsredovisning används begreppet koncernföretag för alla företag som till mer än 50% direkt eller indirekt ägs av AIPCF VII DPC Funding, LP.

Not 1 Uppskattningar och bedömningar
Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Bolaget gör uppskattningar och bedömningar om framtiden. De uppskattningar för redovisningsändamål som blir följden av dessa kommer, definitionsmässigt, sällan att motsvara det verkliga resultatet.

Skatt:
Betydande bedömningar görs för att bestämma såväl aktuella som uppskjutna skatteskulder och skattetillgångar, inte minst vad gäller värdet av uppskjutna skattetillgångar. Bolaget måste därvid bedöma sannolikheten för att de uppskjutna skattefordringarna kommer att utnyttjas för avräkning mot framtida beskattningsbara vinster. Det verkliga resultatet kan avvika från dessa bedömningar bland annat på grund av ändrat framtida affärsklimat, ändrade skatteregler eller utfallet av myndigheters eller skattedomstolars ännu ej slutförda granskning av avgivna deklarationer.

Andelar i koncernföretag och fordringar i koncernföretag:
Då risken i förväntade inbetalningar anses vara begränsad görs inte någon reservering för osäkra fordringar.

Not 2 Arvode till revisorer
Bolagets kostnader för revision har betalats av dotterbolaget Attends Healthcare AB.

Not 3 Anställda och personalkostnader
Bolaget har inte haft några anställda och några löner har ej utbetalats.

Not 4 Resultat från andelar i koncernföretag

	2022	**2021**
Erhållna utdelningar	0	18 000
	0	**18 000**

Not 5 Ränteintäkter och liknande resultatposter

	2022	**2021**
Ränteintäkter från koncernföretag	2 512	2 435
Kursdifferenser	3 020	3 168
	5 532	**5 603**

Not 6 Bokslutsdispositioner

	2022	2021
Koncernbidrag	-5 532	-5 603
	-5 532	**-5 603**

Not 7 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	20 413	20 413
Utgående ackumulerade anskaffningsvärden	**20 413**	**20 413**
Utgående redovisat värde	**20 413**	**20 413**

Not 8 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Attends Healthcare AB	100%	100%	10 000	19 924
Attends AB	100%	100%	1 000	489
				20 413

	Org.nr	Säte	Eget kapital	Resultat
Attends Healthcare AB	556563-1867	Aneby	37 607	2 368
Attends AB	556757-7258	Aneby	647	4

Not 9 Fordringar hos koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	41 554	37 226
Tillkommande fordringar	3 876	4 328
Utgående ackumulerade anskaffningsvärden	**45 431**	**41 554**
Utgående redovisat värde	**45 431**	**41 554**

Not 10 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal A-Aktier	1 000	10
	1 000	

Not 11 Ställda säkerheter

	2022-12-31	2021-12-31
Ställda säkerheter	0	0
	0	**0**

Not 12 Eventualförpliktelser

	2022-12-31	2021-12-31
Eventualförpliktelser	0	0
	0	**0**

Aneby det datum enligt våra elektroniska underskrifter

Mattias Wilner
Ordförande

Anna Södergren

Emilio Barta Perez

Vår revisionsberättelse har lämnats det datum enligt vår elektroniska underskrift

RSM Stockholm AB

Malin Lanneborn
Auktoriserad revisor

Verifikat

Transaktion 09222115557495801968

Dokument

ÅR AHHS FY 2022
Huvuddokument
12 sidor
Startades 2023-06-29 09:24:16 CEST (+0200) av Malin Lanneborn (ML)
Färdigställt 2023-06-29 14:14:36 CEST (+0200)

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Verifikat

Transaktion 09222115557495801968

integriteten i papperskopian bevisas enligt nedan och att en vanlig papperutskrift saknar innehållet i de dolda bilagorna. Den digitala signaturen (elektroniska förseglingen) säkerställer att integriteten av detta dokument, inklusive de dolda bilagorna, kan bevisas matematiskt och oberoende av Scrive. För er bekvämlighet tillhandahåller Scrive även en tjänst för att kontrollera dokumentets integritet automatiskt på: https://scrive.com/verify

RSM

REVISIONSBERÄTTELSE

Till bolagsstämman i Attends Healthcare Holdings AB, org.nr 556628-7339

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Attends Healthcare Holdings AB för räkenskapsåret 1 januari 2022 till 31 december 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Attends Healthcare Holdings ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet "Revisorns ansvar". Vi är oberoende i förhållande till Attends Healthcare Holdings AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Attends Healthcare Holdings AB för räkenskapsåret 1 januari 2022 till 31 december 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet "Revisorns ansvar". Vi är oberoende i förhållande till Attends Healthcare Holdings AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den dag som framgår av vår elektroniska signatur.

RSM Stockholm AB

Malin Lanneborn
Auktoriserad revisor

Verifikat

Transaktion 09222115557495804503

Dokument

RB Attends Healthcare Holdings AB_556628-7339_2022-12-31
Huvuddokument
1 sida
Startades 2023-06-29 09:19:14 CEST (+0200) av Malin Lanneborn (ML)
Färdigställt 2023-06-29 14:15:16 CEST (+0200)

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2022 ANNUAL REPORT

AIPCF VII DPC Funding, LP and Subsidiaries

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

INDEX

RSM

RSM US LLP

Independent Auditor's Report

Board of Directors
AIPCF VII DPC Funding, LP

Opinion

We have audited the consolidated financial statements of AIPCF VII DPC Funding, LP and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive income (loss), equity and cash flows for the year ended December 31, 2022 and for the period from February 9, 2021 through December 31, 2021, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022 and for the period from February 9, 2021 through December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

RSM US LLP

Raleigh, North Carolina
May 16, 2023

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AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31, 2022	Period from February 9, through December 31, 2021
(In millions of US dollars)		
Sales	951.9	815.7
Operating expenses		
Cost of sales	809.6	646.8
Depreciation and amortization	64.0	58.9
Selling, general and administrative	125.0	111.3
Transaction & acquisition costs	1.6	15.3
Other operating loss, net	0.9	1.5
	1,001.1	833.8
Operating income (loss)	(49.2)	(18.1)
Interest expense, net	45.7	30.0
Earnings (loss) before income taxes	(94.9)	(48.1)
Income tax expense (benefit)	(11.0)	(7.1)
Net earnings (loss)	(83.9)	(41.0)
Net (income) loss attributable to non-controlling interests	2.7	0.4
Net income (loss) attributable to AIPCF VII DPC Funding, LP	**(81.2)**	**(40.6)**
Other comprehensive income (loss):		
Foreign currency translation adjustments	(28.9)	(32.9)
Change in unrecognized losses and prior service cost related to pension and post-retirement plans, net of tax of $0.7 (2021 – nil)	1.6	(0.2)
Other comprehensive income (loss)	(27.3)	(33.1)
Comprehensive income (loss)	(111.2)	(74.1)
Comprehensive (income) loss attributable to non-controlling interests	2.7	0.4
Comprehensive income (loss) attributable to AIPCF VII DPC Funding, LP	**(108.5)**	**(73.7)**

The accompanying notes are an integral part of the consolidated financial statements.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In millions of US dollars)	December 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	23.8	47.8
Receivables, net	120.9	108.4
Inventories, net	127.4	120.6
Prepaid expenses	7.3	6.7
Income and other taxes receivable	6.7	2.7
Total current assets	286.1	286.2
Property, plant and equipment, net	317.4	352.0
Operating lease right-of-use assets	15.7	20.7
Goodwill and other intangibles, net	405.6	435.8
Other assets	1.1	0.3
Total assets	**1,025.9**	**1,095.0**
Liabilities and member's equity		
Current liabilities		
Trade and other payables	140.0	137.3
Income and other taxes payable	10.8	7.4
Operating lease liabilities due within one year	6.1	7.9
Current maturities of long-term debt and other borrowings	64.1	25.2
Total current liabilities	221.0	177.8
Long-term debt and other borrowings, net	645.2	625.2
Operating lease liabilities	9.6	12.8
Deferred income taxes and other	46.1	61.5
Other liabilities and deferred credits	1.0	3.8
Member's equity		
Limited partner's capital	158.1	239.3
Accumulated other comprehensive income (loss)	(60.4)	(33.1)
Total AIPCF VII DPC Funding, LP equity	97.7	206.2
Non-controlling interest	5.3	7.7
Total member's equity	103.0	213.9
Total liabilities and members' equity	**1,025.9**	**1,095.0**

The accompanying notes are an integral part of the consolidated financial statements.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

(In millions of US dollars)	**Limited partner's capital**	**Accumulated other comprehensive income (loss)**	**Non-controlling interest**	**Total member's equity**
Issuance of equity to parent	288.0	0.0	0.0	288.0
Issuance of equity to noncontrolling interest	0.0	0.0	8.1	8.1
Cash dividends declared to parent	(8.1)	0.0	0.0	(8.1)
Net loss attributable to AIPCF VII DPC Funding, LP	(40.6)	0.0	0.0	(40.6)
Net loss attributable to non-controlling interests, net of tax of nil	0.0	0.0	(0.4)	(0.4)
Foreign currency translation adjustments	0.0	(32.9)	0.0	(32.9)
Change in unrecognized gains and prior service cost related to pension benefit plans, net of tax of nil	0.0	(0.2)	0.0	(0.2)
Balances at December 31, 2021	**239.3**	**(33.1)**	**7.7**	**213.9**
Net loss attributable to AIPCF VII DPC Funding, LP	(81.2)	0.0	0.0	(81.2)
Net loss attributable to non-controlling interests, net of tax of $0.3	0.0	0.0	(2.4)	(2.4)
Foreign currency translation adjustments	0.0	(28.9)	0.0	(28.9)
Change in unrecognized gains and prior service cost related to pension benefit plans, net of tax of $0.7	0.0	1.6	0.0	1.6
Balances at December 31, 2022	**158.1**	**(60.4)**	**5.3**	**103.0**

The accompanying notes are an integral part of the consolidated financial statements.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of US dollars)	**Year Ended December 31, 2022**	**Period from February 9, through December 31, 2021**
Operating activities		
Net earnings (loss)	(83.9)	(41.0)
Adjustments to reconcile net earnings (loss) to cash flows from operating activities		
Depreciation and amortization	64.0	58.9
Deferred income taxes and tax uncertainties	(13.9)	(12.7)
Amortization of inventory step-up	0.0	16.6
Amortization of deferred financing costs	3.3	2.6
Changes in assets and liabilities		
Receivables	(15.8)	(3.9)
Inventories	(9.7)	11.1
Prepaid expenses	(0.8)	(3.1)
Trade and other payables	7.7	10.1
Income and other taxes	(0.2)	(0.1)
Other assets and other liabilities	(0.2)	(1.0)
Net cash provided by (used for) operating activities	(49.5)	37.5
Investing activities		
Additions to property, plant and equipment	(26.5)	(28.5)
Acquisition net of cash acquired	0.0	(894.0)
Net cash provided by (used for) investing activities	(26.5)	(922.5)
Financing activities		
Issuance of equity	0.0	288.0
Issuance of equity to noncontrolling interest	0.0	8.1
Cash dividends declared to parent	0.0	(8.1)
Borrowings from revolver	33.2	31.0
Repayments of revolver	0.0	(9.6)
Proceeds from term loan and other long-term debt	29.4	628.6
Repayments of long-term debt and capital lease obligations	(8.3)	(3.6)
Net cash provided by (used for) financing activities	54.3	934.4
Impact of foreign exchange on cash	(2.3)	(1.6)
Net increase (decrease) in cash and cash equivalents	(24.0)	47.8
Cash and cash equivalents at beginning of period	47.8	0.0
Cash and cash equivalents at end of period	**23.8**	**47.8**
Supplemental cash flow information		
Net cash payments for:		
Interest	41.9	27.8
Income taxes	4.7	7.3

The accompanying notes are an integral part of the consolidated financial statements.

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AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Index for Notes to Consolidated Financial Statements

NOTE 1.

Description of Business

AIPCF VII DPC Funding, LP and its subsidiaries, (the "Company", "we", "our"), designs, manufactures and sells a wide range of branded and partner-branded adult incontinence products including protective underwear, briefs, underpads, and pads as well as diapers and training pants for babies. Headquartered in Raleigh, North Carolina in the United States, the Company operates four manufacturing plants: two in the United States and two in Europe (Spain and Sweden). We serve institutional and consumer channels with products available online, in pharmacies and stores, and through healthcare services.

AIPCF VII DPC Funding, LP was incorporated on February 9, 2021 and registered in the Cayman Islands. The Company's primary equity holders are funds and an investment vehicle associated with AIP CF VII, Ltd.

NOTE 2.

Basis of Presentation

The consolidated balance sheet as at December 31, 2022 and 2021, the consolidated statements of operations and comprehensive income (loss) for the year ended December 31, 2022, and the period from February 9, through December 31, 2021, and the consolidated statements of cash flows for the year ended December 31, 2022, and the period from February 9, through December 31, 2021 were prepared in accordance with GAAP.

The acquisition is accounted for using the acquisition method of accounting. The December 2022 financial statements reflect final allocations of the purchase price.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates or assumptions affect reported assets, liabilities, revenues and expenses as reflected in the consolidated financial statements. Actual results could differ from these estimates.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTE 3.

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of less than three months and are presented at cost which approximates fair value.

Receivables and Allowances for Credit Losses

Allowances for credit losses are established on receivables. The adequacy of these allowances is assessed through consideration of factors including, but not limited to, customer credit ratings, bankruptcy filings, published or estimated credit default rates, age of the receivable, expected loss rates and collateral exposures. Internal credit ratings are assigned for all customers and determine the creditworthiness of each customer based upon publicly available information and information obtained directly from our customers. In certain markets we may recognize finance charge income on overdue receivables. Financing income related to overdue receivables are recognized in earnings as a component of interest expense, net, in the consolidated statements of operations and comprehensive income (loss).

Reserve balances, primarily related to rebate reserves, discount reserves, and allowance for bad debt, were $19.6 million and $17.3 million at December 31, 2022 and December 31, 2021, respectively.

Our ten largest customers represented approximately 49% of our sales in 2022. For the year ended December 31, 2022, and for the period from February 9, through December 31, 2021, two customers each accounted for more than 10% of our consolidated revenues, as shown in the table below.

	Year Ended December 31, 2022	**Period from February 9, through December 31, 2021**
(As a % of total sales)		
Customer A	12%	12%
Customer B	13%	11%

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost includes labor, materials and production overhead. The raw material inventories, materials and supplies inventories and finished products are recorded using the first-in, first-out ("FIFO") cost method. The Company performs periodic assessments to determine the existence of obsolete, slow-moving and non-saleable inventories and records necessary provisions to reduce such inventories to net realizable value.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Costs for repair and maintenance activities are expensed as incurred. Interest costs are capitalized for significant capital projects. For all assets, depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Buildings and improvements are depreciated over periods of 15 to 40 years and machinery and equipment over periods of 1 to 25 years. No depreciation is recorded on assets under construction. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period. Depreciation expense is included in depreciation and amortization in the consolidated statements of operations and comprehensive income (loss).

Goodwill and Other Intangibles

The net assets of businesses acquired are recorded at fair value at the acquisition date and the consolidated financial statements include their results of operations from that date. Any excess of acquisition consideration over the fair value of identifiable net assets acquired is recorded as goodwill. Goodwill is not amortized, but the potential impairment of goodwill is assessed at least annually and on an interim basis whenever events or changes in circumstances indicate that the carrying value of a reporting unit exceeds its fair value. Impairment analysis for goodwill requires a comparison of the fair value to the carrying value of a reporting unit. The Company has the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than their carrying amounts. To carry out the qualitative assessment, the Company considers elements such as the results of recent fair value assessments, macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, specific events affecting the Company and the business. The identification and impact assessment of events and circumstances on the fair value involves significant judgment and assumptions. If a qualitative assessment is performed and after assessing the qualitative factors, the Company determines that it is more likely than not that the fair value of a reporting unit is less than their carrying amounts, then a quantitative impairment test is required. The Company can also elect to proceed directly to the quantitative test. The quantitative impairment test consists of comparing the fair value of the reporting unit determined using a variety of methodologies to their carrying amount. If the carrying amounts of a reporting unit exceed their fair value, an impairment loss is recognized in an amount equal to that excess, but not exceeding the carrying amount of goodwill allocated to the reporting unit.

Long-lived intangible assets are stated at cost less amortization and are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Long-lived intangible assets include customer relationships, trademarks and developed technology, which are being amortized using the straight-line method over their respective estimated useful lives.

Amortization is based on the following useful lives:

	Useful life
Customer relationships	3 to 20 years
Trademarks	25 years
Developed technology	5.5 years

Leases

At inception of an arrangement, the Company determines whether the arrangement contains a lease. A lease conveys the right to control the use of identified property, plant, or equipment (asset) for a period of time in exchange for consideration. Control over the use of the identified asset means that the Company has both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset.

For each lease arrangement that has an original lease term of more than 12 months, a right-of-use asset and a lease liability are recorded in the consolidated balance sheets. The right-of-use asset represents the Company's right to use an underlying asset for the lease term while the lease liability represents the obligation to make lease payments arising from the lease. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

The terms of a lease arrangement determine how a lease is classified (operating or finance), the resulting recognition pattern in the consolidated statements of operations and comprehensive income (loss), and the classification in the consolidated balance sheets.

Finance lease expense is represented by the interest on the lease liability, determined using the effective interest method. The amortization of the finance lease right-of-use asset calculated using the straight-line method over the estimated useful life of the identified asset. Finance lease related balances are included in the consolidated balance sheets in property, plant and equipment, net, current maturities of long-term debt and other borrowings and long-term debt and other borrowings, net.

Operating lease expense is recorded on a straight-line basis over the lease term by adding interest expense determined using the effective interest method to the amortization of the right-of-use asset. Operating lease related balances are included in the consolidated balance sheets in operating lease right-of-use assets, operating lease liabilities due within one year and operating lease liabilities.

Pension Plans

The Company plans include funded and unfunded defined benefit and defined contribution pension plans. The Company recognizes the overfunded or underfunded status of defined benefit and underfunded defined contribution pension plans as an asset or liability in the consolidated balance sheets. Determining the cost associated with such benefits is dependent on various actuarial assumptions, including discount rates, expected return on plan assets, compensation increases, mortality, turnover rates, and healthcare cost trend rates. Actuaries perform the required calculations to determine expense in accordance with GAAP. Actual results may differ from the actuarial assumptions and are generally accumulated into accumulated other comprehensive income (loss) and amortized into net earnings over future periods. The Company reviews its actuarial assumptions at each measurement date and makes modifications to the assumptions based on current rates and trends, if appropriate. The net periodic benefit cost includes the following:

- The cost of pension benefits provided in exchange for employees' services rendered during the period,
- The interest cost of pension obligations,
- The expected long-term return on pension fund assets based on a market value of pension fund assets,
- The amortization of cumulative net actuarial gains and losses in excess of 10% of the greater of the projected benefit obligation and the market value of assets over the average remaining service period of approximately ten years of the active employee group covered by the plans.

The defined benefit plan obligations are determined in accordance with the projected unit credit actuarial cost method.

Translation of Foreign Currencies

The Company determines its foreign entities' functional currency based on the currencies in which their respective operating activities occur. The Company translates assets and liabilities of its non-U.S. dollar functional currency legal entities into U.S. dollars using the rate in effect at the balance sheet date and revenues and expenses are translated at the average exchange rates during the year. Foreign currency translation gains and losses are included in member's equity as a component of accumulated other comprehensive income (loss) in the accompanying consolidated balance sheets.

Monetary assets and liabilities denominated in a currency that is different from a reporting entity's functional currency must first be remeasured from the applicable currency to the legal entity's functional currency. The effect of this remeasurement process is recognized in the consolidated statements of operations and comprehensive income (loss).

Revenue Recognition

The Company's revenue is generated from the sale of finished goods to customers. Revenue is recognized at a single point in time when the performance obligation is satisfied which occurs when the control over the goods is transferred to customers. For shipping and handling activities performed after customers obtain control of the goods, the Company elected to account for these activities as fulfillment activities rather than assessing such activities as separate performance obligations. Accordingly, the sale of goods to customers represents a single performance obligation to which the entire transaction price is allocated.

The point in time when the control of goods is transferred to customers is largely dependent on delivery terms. Revenue is recorded at the time of shipment for delivery terms designated free on board ("f.o.b.") shipping point. For sales transactions designated f.o.b. destination, revenue is recorded when the product is delivered to the customer's delivery site.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for goods transferred to customers. Revenue is recognized net of variable consideration in the form of rebates, discounts and other commercial incentives extended to customers. Variable consideration is recognized using the most likely amounts which are based on an analysis of historical experience and current period expectations. The Company includes estimated amounts of variable consideration in revenue to the extent that it is probable that there will not be a significant reversal of recognized revenue when the uncertainty related to that variable consideration is resolved.

For all the Company's contracts, customer payments are due in less than one year. Accordingly, the Company does not adjust the amount of revenue recognized for the effects of a significant financing component as it is immaterial.

Sales taxes, and other similar taxes, collected from customers are excluded from revenue.

Shipping and Handling Costs

The Company classifies shipping and handling costs as a component of cost of sales in the consolidated statements of operations and comprehensive income (loss).

Transaction and Acquisition Costs

Transaction and acquisition costs consist of any restructuring costs and integration costs incurred in connection with the March 1, 2021 acquisition of the Personal Care division of Domtar Corporation by American Industrial Partners ("AIP") and any other acquisitions, including duplicative costs and increased costs in respect of any transition services agreement, in each case resulting from the transition to being a standalone company.

Income Taxes

Income taxes are recorded in accordance with ASC Topic 740, Income Taxes, or ASC 740, which provides for deferred taxes using an asset and liability approach. Under this method, deferred tax assets and liabilities are determined according to differences between the financial reporting and tax reporting bases of the Company's assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The Company establishes a valuation allowance for deferred tax assets when it is more likely than not that they will not be realized. In general, "realization" refers to the incremental benefit achieved through the reduction in future taxes payable or an increase in future taxes refundable from the deferred tax assets. Deferred tax assets and liabilities are classified as non-current items on the consolidated balance sheets. The Company records its worldwide tax provision based on the respective tax rules and regulations for the jurisdictions in which it operates. The change in the net deferred tax asset or liability is included in income tax expense (benefit) in the consolidated statements of operations and comprehensive income (loss), and in accumulated other comprehensive income (loss) in the consolidated balance sheets.

Uncertain tax positions are recorded based upon the Company's evaluation of whether it is "more likely than not" (a probability level of more than 50%) that, based upon its technical merits, the tax position will be sustained upon examination by the taxing authorities.

The Company recognizes interest and penalties related to income tax matters as a component of income tax expense (benefit).

If and when incurred, the Company accounts for any taxes associated with Global Intangible Low-Taxed Income ("GILTI") as a period cost.

Fair Value Measurements

The Company's financial instruments not required to be adjusted to fair value on a recurring basis consist principally of cash, receivables, long-term debt and accounts payable. The Company believes cash, accounts receivable, and accounts payable are recorded at amounts that approximate their current market values based on their short-term nature. The fair value of our borrowings under our term loan was $474.7 million at December 31, 2022, and it was estimated based upon open-market trades at or near year end. The fair value of our remaining borrowings approximated book value on December 31, 2022.

The Company determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between unrelated market participants at the measurement date. The Company utilizes valuation techniques that maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3) within the fair value hierarchy established by the Financial Accounting Standards Board ("FASB").

For illustrative purposes, the levels within the FASB fair value hierarchy are as follows:

Level 1	Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2	Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly;
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable, including the company's own assumptions in determining fair value.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTE 4.

Business Combination

On March 1, 2021, the Personal Care division of Domtar Corporation was purchased by Journey Personal Care Corp., a subsidiary of AIPCF VII DPC Funding, LP.

The acquisition of all the outstanding equity securities of the Personal Care division of Domtar Corporation was completed for an aggregate purchase price of $904.6 million. To fund the transaction AIP invested $288.0 million of cash equity less applicable fees to fund the deal. To fund the remainder of the purchase price, a $650.0 million term loan facility less applicable fees and issuance costs with Deutsche Bank was issued.

The purchase transaction has been accounted for as a business combination in accordance with the accounting guidance in ASC 805 – *Business Combinations*. For income tax purposes, the Company will receive carryover basis in the acquired assets and liabilities. A net deferred tax liability has been recorded with respect to the difference from the book basis step-up.

The following table represents the allocation of the purchase price:

(In millions of US dollars)	**Amount**
Receivables, net	108.5
Inventories, net	152.1
Other current assets	5.5
Property, plant and equipment	381.4
Goodwill	196.9
Trademarks	114.7
Customer relationship	146.4
Developed technology	10.3
Operating lease right-of-use assets	14.6
Other assets	0.3
Total assets	1,130.7
Trade and other payables	131.9
Other current liabilities	14.4
Long-term debt and other borrowings, net	1.1
Operating lease liabilities	7.6
Deferred income taxes and other	77.6
Other liabilities and deferred credits	4.1
Total liabilities	236.7
Net assets	894.0
Closing cash	10.6
Total purchase price	**904.6**

Based upon the separability and legal criterion described in ASC 805, management recognizes trademarks, developed technology and customer relationships as identifiable intangible assets. Pursuant to the requirements of ASC 805, these assets were valued at fair value as of the transaction date. We estimated the fair value of trademarks and developed technology using both the market and income approach. To estimate the fair value of customer relationships we used the income approach. All the acquired identifiable intangible assets will be amortized on a straight-line basis over their estimated useful lives, which we believe is the most appropriate amortization method.

The following sets forth the sources and uses of funds in connection with the acquisition:

	Amount
(In millions of US dollars)	
Source of funds:	
Borrowings under the term loan facility	650.0
Proceeds from the issuance of member's equity	288.0
Working capital adjustment	(2.5)
Total	**935.5**
Use of funds:	
Total purchase price	904.6
Payment of debt fees	21.4
Payment of transaction costs	9.4
Payment of lender legal counsel fees	0.1
Total	**935.5**

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTE 5.

Inventories

At December 31, the major components of inventories were as follows:

(In millions of US dollars)	December 31, 2022	December 31, 2021
Raw materials	33.7	37.9
Work in process	1.4	0.8
Finished goods	70.4	60.6
Spare parts	21.9	21.3
Inventories, net	**127.4**	**120.6**

Reserve balances, primarily related to obsolete and slow-moving inventories, were $0.8 million and $2.5 million at December 31, 2022 and December 31, 2021, respectively.

NOTE 6.

Property, Plant and Equipment

The following table presents the components of property, plant and equipment:

(In millions of US dollars)	December 31, 2022	December 31, 2021
Machinery and equipment	314.2	291.8
Buildings and improvements	86.0	86.8
Assets under construction	7.1	16.3
Property, plant and equipment, gross	407.3	394.9
Less: Accumulated depreciation	(89.9)	(42.9)
Property, plant and equipment, net	**317.4**	**352.0**

Depreciation expense related to property, plant and equipment were $48.6 million and $44.7 million for the year ended December 31, 2022, and for the period from February 9, through December 31, 2021, respectively.

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AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTE 7.

Leases

In the normal course of business, the Company enters into operating and finance leases mainly for manufacturing and warehousing facilities, corporate offices, motor vehicles, mobile equipment and manufacturing equipment.

While the Company's lease payments are generally fixed over the lease term, some leases may include price escalation terms that are fixed at the lease commencement date.

The components of lease expense were as follows:

(In millions of US dollars)	Year Ended December 31, 2022	Period from February 9, through December 31, 2021
Operating lease expense	8.1	6.8
Short-term lease expense	1.6	0.9
Finance lease expense:		
Amortization of right-of-use assets	0.3	0.2
Interest on lease liabilities	0.1	0.0
Total lease cost	**10.1**	**7.9**

Supplemental cash flow information related to leases was as follows:

(In millions of US dollars)	Year Ended December 31, 2022	Period from February 9, through December 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	8.1	7.3
Operating cash flows from finance leases	0.1	0.1
Financing cash flows from finance leases	0.9	0.2
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	2.5	12.7
Finance leases	14.5	0.0

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Supplemental balance sheet information related to leases was as follows:

(In millions of US dollars)	December 31, 2022	December 31, 2021
Operating Leases		
Operating leases right-of-use assets	**15.7**	**20.7**
Lease liabilities due within one year	(6.1)	(7.9)
Operating lease liabilities	(9.6)	(12.8)
	(15.7)	**(20.7)**
Finance leases		
Property, plant and equipment	21.9	5.6
Accumulated depreciation	(6.9)	(4.9)
	15.0	**0.7**
Long-term debt	**(14.4)**	**(0.7)**
Weighted-average remaining lease term		
Operating leases	3.5 years	3.6 years
Finance leases	4.4 years	3.0 years
Weighted-average discount rate		
Operating leases	4.6%	4.2%
Finance leases	1.9%	4.0%

Maturities of lease liabilities at December 31, 2022 were as follows:

(In millions of US dollars)	Operating leases	Finance leases
2023	6.2	3.5
2024	3.8	3.5
2025	3.4	3.3
2026	2.8	3.3
2027	0.6	1.6
Thereafter	0.2	0.0
Total lease payments	**17.0**	**15.2**
Less: Imputed interest	1.3	0.8
Total lease liabilities	**15.7**	**14.4**

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NOTE 8.

Goodwill and Other Intangibles, Net

The following table presents the components of other intangible assets:

	December 31, 2022		
	Cost	Accumulated Amortization	Net
(In millions of US dollars)			
Trademarks	102.8	(7.5)	95.3
Customer relationship	131.0	(18.0)	113.0
Developed technology	9.1	(3.0)	6.1
Definite-lived intangibles	242.9	(28.5)	214.4
Goodwill	191.2	0.0	191.2
Intangible assets, net	**434.1**	**(28.5)**	**405.6**

	December 31, 2021		
	Cost	Accumulated Amortization	Net
(In millions of US dollars)			
Trademarks	108.3	(3.6)	104.7
Customer relationship	138.0	(8.5)	129.5
Developed technology	9.7	(1.5)	8.2
Definite-lived intangibles	256.0	(13.6)	242.4
Goodwill	193.4	0.0	193.4
Intangible assets, net	**449.4**	**(13.6)**	**435.8**

Amortization expense related to long-lived intangibles were $15.4 million and $14.1 million for the year ended December 31, 2022, and for the period from February 9, through December 31, 2021, respectively.

The estimated future amortization of intangible assets as of December 31, 2022 is as follows:

	Amount
(In millions of US dollars)	
2023	15.5
2024	14.3
2025	14.1
2026	13.6
2027	12.5
Thereafter	144.4
Total	**214.4**

The changes in goodwill balances for the years ended December 31, 2022 and 2021 were as follows:

(In millions of US dollars)	Amount
Goodwill additions at inception	196.9
Foreign currency translation	(3.5)
Balances at December 31, 2021	**193.4**
Foreign currency translation	(2.2)
Balances at December 31, 2022	**191.2**

The changes in other intangible balances for the years ended December 31, 2022 and 2021 were as follows:

(In millions of US dollars)	Cost	Accumulated Amortization	Net
Other intangible additions at inception	271.4	0.0	271.4
Amortization	0.0	(14.1)	(14.1)
Foreign currency translation	(15.4)	0.5	(14.9)
Balances at December 31, 2021	**256.0**	**(13.6)**	**242.4**
Amortization	0.0	(15.4)	(15.4)
Foreign currency translation	(13.1)	0.5	(12.6)
Balances at December 31, 2022	**242.9**	**(28.5)**	**214.4**

NOTE 9.

Trade and Other Payables

The following table presents the components of trade and other payables:

(In millions of US dollars)	December 31, 2022	December 31, 2021
Trade payables	104.5	96.4
Accrued liabilities	16.5	18.3
Salaries and payroll payable	11.4	13.1
Sales-related provisions	6.3	7.8
Payables on capital projects	0.5	1.5
Closure and restructuring costs liability	0.8	0.2
Trade and other payables	**140.0**	**137.3**

NOTE 10.

Debt

On March 1, 2021, we entered into a $650.0 million credit agreement to fund the purchase of the Personal Care division of Domtar Corporation. We also entered into a $125.0 million revolving credit facility to provide us with an additional source of liquidity as we establish ourselves as an independent globally present company.

The term loan and revolving line of credit (together "Credit Facility") bear interest on a floating rate basis at our option and incur fees as follows:

Term loan

- LIBOR (ranging from one month to 12 months) subject to a floor of 0.75%
  - plus, 4.25% applicable margin
- Alternative base rate determined as the highest of the Federal Funds Rate plus 0.50%, Prime Lending Rate, or one month LIBOR plus 1.00%
  - plus, 3.25% applicable margin
- Administrative Agent fees

Revolving credit line

- Eurocurrency Rate Loan: LIBOR (ranging from one month to 12 months) subject to a floor of 0.00%
  - plus, with respect to the FIFO Facility, an applicable margin ranging from 1.75% to 2.25% based on excess availability, or
  - plus, with respect to the LILO facility, 3.25% applicable margin.
- Base Rate Loan: base rate determined as the highest of the Federal Funds Rate plus 0.50%, Prime Lending Rate, or one month LIBOR plus 1.00%
  - plus, with respect to the FIFO Facility, an applicable margin ranging from 0.75% to 1.25% based on excess availability, or
  - plus, with respect to the LILO Facility, 2.25% applicable margin.
- Canadian Prime Rate Loan: rate determined as the highest of the Canadian Prime rate, or one month LIBOR plus 1.00%
  - plus, with respect to the FIFO Facility, an applicable margin ranging from 0.75% to 1.25% based on excess availability, or
  - plus, with respect to the LILO Facility, 2.25% applicable margin.
- Unused capacity under the revolving credit line of credit loan incurs a fee ranging from 0.250% to 0.375% per annum based on the average usage of the revolving credit facility.
- Administrative Agent fees

The Credit Facility contains affirmative and negative covenants customary for similar facilities and transactions, including limitations or restrictions on our ability, subject to certain exceptions, to:

- incur additional indebtedness;
- incur additional liens;
- engage in certain fundamental changes, including changes in the nature of our business;
- transfer or sell assets;
- pay dividends and other restricted payments;
- make acquisitions, investments, loans and advances;
- enter into restrictive agreements;
- engage in certain transactions with affiliates.

Starting September 30, 2021, the term loan began amortizing in quarterly installments equal to 1.00% per annum of the initial borrowed amount and requires full payment at maturity of all remaining amounts owed. The term loan matures on March 1, 2028.

The revolving credit line matures on March 1, 2026. The company may repay principal, in whole or in part, at any time without penalty. Outstanding borrowings under the revolving credit line was $54.7 million as of December 31, 2022, due full payment or extension on January 2023, and $21.5 million as of December 31, 2021.

The revolving line of credit contains a springing financial covenant requiring us to meet a certain fixed charge coverage ratio if the specified excess availability is less than the greater of (i) $10.0 million and (ii) 10% of the lesser of the borrowing base and the facility size, subject to certain equity cure rights. This covenant did not apply as of December 31, 2022.

The Company was in compliance with all financial covenants as of December 31, 2022.

We entered into a €15.0 million long-term credit agreement, a €15.0 million credit line agreement and a €13.7 million sale-leaseback agreement in 2022. Both the long-term credit agreement and sale-leaseback agreement matures in 2027, while the credit line agreement matures at the end of 2023. We had no borrowings under the credit line as of December 31, 2022.

The following table presents the components of long-term debt and other borrowings:

(In millions of US dollars)	**Rates as of December 31, 2022**	**December 31, 2022**	**December 31, 2021**
Revolving credit line - Base Rate Loan	9.75%	1.5	0.0
Revolving credit line - Eurocurrency Rate Loan	6.34%	53.2	21.5
Term loan	8.98%	640.3	646.8
Other borrowings	0.00% - 4.00%	29.9	1.0
Total debt and other borrowings		724.9	669.3
Current maturities of long-term debt and other borrowings		64.1	25.2
Total long-term debt and other borrowings		660.8	644.1
Unamortized debt discount		(15.6)	(18.9)
Long-term debt and other borrowings, net		**645.2**	**625.2**

The following table presents the maturities of our long-term debt and other borrowings, net as of December 31, 2022:

(In millions of US dollars)	**Revolving credit line**	**Term loan**	**Other borrowings**	**Total repayments**
2023	54.7	6.5	6.3	67.5
2024	0.0	6.5	6.5	13.0
2025	0.0	6.5	6.4	12.9
2026	0.0	6.5	6.5	13.0
2027	0.0	6.5	4.2	10.7
2028	0.0	607.8	0.0	607.8
Total debt maturities	**54.7**	**640.3**	**29.9**	**724.9**

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NOTE 11.

Pension Plans

Defined Contribution Plans

The Company has defined contribution plans. The expense under these plans is equal to the Company's contribution. The related expenses were $2.9 million and $2.6 million for the year ended December 31, 2022, and for the period from February 9, through December 31, 2021, respectively.

Defined Benefit Plans

The Company sponsors four defined benefit pension plans in Europe. Two of the plans are frozen, with the active employees now accruing benefits in a defined contribution plan. Related pension expenses and the corresponding obligations are actuarially determined using management's assumptions, detailed below. The Company's pension plan funding policy is to contribute annually the amount required to provide for benefits earned in the year and to fund solvency deficiencies and funding shortfalls over periods not exceeding those permitted by the applicable regulatory authorities.

Change in Projected Benefit Obligation

The following table represents the change in the projected benefit obligation as at December 31, 2022 and December 31, 2021, the measurement date for each year:

	December 31, 2022	**December 31, 2021**[(1)]
(In millions of US dollars)		
Projected benefit obligation at beginning of period	13.0	13.6
Interest expense	0.1	0.1
Actuarial loss (gain)	(3.0)	0.3
Benefits paid	(0.5)	(0.2)
Effect of foreign currency exchange rate change	(0.8)	(0.8)
Projected benefit obligation at end of period	**8.8**	**13.0**

(1) Period began March 1, 2021 and ended December 31, 2021.

Change in Fair Value of Assets

The following table represents the change in fair value of assets for the years ended December 31, 2022 and 2021, reflecting the actual return on plans assets, the contributions and the benefits paid for each year:

(In millions of US dollars)	December 31, 2022	December 31, 2021[(1)]
Fair value of assets at beginning of period	9.4	9.7
Actual return on plan assets	(0.4)	0.5
Employer contributions	0.1	0.1
Benefits paid	(0.5)	(0.3)
Effect of foreign currency exchange rate change	(0.6)	(0.6)
Fair value of assets at end of period	**8.0**	**9.4**

(1) Period began March 1, 2021 and ended December 31, 2021.

Reconciliation of Funded Status to Amounts Recognized in the Consolidated and Sheets

The following table presents the difference between the fair value of assets and the actuarially determined projected benefit obligation. The table reconciles the amount of the deficit to the net amount recognized in the consolidated balance sheets.

(In millions of US dollars)	December 31, 2022	December 31, 2021
Projected benefit obligation at end of year	(8.8)	(13.0)
Fair value of assets at end of year	8.0	9.4
Deficit	**(0.8)**	**(3.6)**

(In millions of US dollars)	December 31, 2022	December 31, 2021
Other liabilities and deferred credits	0.8	3.6
Net amount recognized in the Consolidated Balance Sheets	**0.8**	**3.6**

The following table presents the pre-tax amounts included in other comprehensive income (loss):

(In millions of US dollars)	Year ended December 31, 2022	Period from February 9, through December 31, 2021
Net (loss) gain	2.5	(0.1)
Net amount recognized in other comprehensive (loss) income (pre-tax)	**2.5**	**(0.1)**

The following table presents the components of net periodic benefit costs for pension plans:

(In millions of US dollars)	Year ended December 31, 2022	Period from February 9, through December 31, 2021
Interest expense	0.1	0.1
Expected return on plan assets	(0.2)	(0.2)
Net periodic benefit cost	**(0.1)**	**(0.1)**

Weighted-Average Assumptions

The Company used the following key assumptions to measure the projected benefit obligation and the net periodic benefit cost. These assumptions are long-term, which is consistent with the nature of employee future benefits.

	December 31, 2022	December 31, 2021
Projected benefit obligation		
Discount rate	4.0%	1.2%
Rate of compensation increase	3.2%	2.9%
Net periodic benefit cost		
Discount rate	1.2%	1.2%
Rate of compensation increase	2.9%	2.8%
Expected long-term rate of return on plan assets	2.4%	2.4%

Fair Value Measurement

The following table presents the fair value of the plan assets at December 31, 2022, by asset category:

	December 31, 2022			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In millions of US dollars)				
Asset Category				
Insurance contracts[1]	8.0	0.0	0.0	8.0
Total	**8.0**	**0.0**	**0.0**	**8.0**

[1] This category included insurance contracts with a minimum guarantee rate.

The following table presents the fair value of the plan assets at December 31, 2021, by asset category:

	December 31, 2021			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In millions of US dollars)				
Asset Category				
Insurance contracts[1]	9.4	0.0	0.0	9.4
Total	**9.4**	**0.0**	**0.0**	**9.4**

[1] This category included insurance contracts with a minimum guarantee rate.

Estimated Future Benefit Payments from the Plans

Estimated future benefit payments from the plans for the next 10 years at December 31, 2022 are as follows:

(In millions of US dollars)	Amount
2023	0.3
2024	0.3
2025	2.0
2026	0.3
2027	0.3
2028-2032	1.9

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NOTE 12.

Other Liabilities and Deferred Credits

The following table presents the components of other liabilities and deferred credits:

(In millions of US dollars)	December 31, 2022	December 31, 2021
Pension liability - defined benefit pension plans	0.8	3.6
Deferred credits	0.2	0.2
Other Liabilities and Deferred Credits	**1.0**	**3.8**

NOTE 13.

Income Taxes

The Company's income (loss) before income taxes by taxing jurisdiction were:

(In millions of US dollars)	Year Ended December 31, 2022	Period from February 9, through December 31, 2021
U.S. loss	(63.9)	(43.4)
Foreign earnings/(loss)	(31.0)	(4.7)
Income/(Loss) before income taxes	**(94.9)**	**(48.1)**

Provision/(benefit) for income taxes include the following:

(In millions of US dollars)	Year Ended December 31, 2022	Period from February 9, through December 31, 2021
U.S. Federal and State:		
Current	0.2	0.0
Deferred	(8.6)	(9.1)
Foreign:		
Current	2.2	6.7
Deferred	(4.8)	(4.7)
Income tax expense (benefit)	**(11.0)**	**(7.1)**

The Company's provision/(benefit) for income taxes differs from the amounts computed by applying the statutory income tax rate to income (loss) before income taxes due to the following:

(In millions of US dollars)	Year Ended December 31, 2022	Period from February 9, through December 31, 2021
Statutory income tax	(17.5)	(9.1)
Reconciling Items:		
State and local income taxes, net of federal income tax benefit	(0.4)	(1.0)
Foreign income tax rate differential	(3.6)	(2.5)
Uncertain tax positions	(1.8)	1.0
Valuation allowance on deferred tax assets	18.5	9.9
Nondeductible expenses	(6.5)	(5.9)
Other	0.3	0.5
Income tax expense (benefit)	**(11.0)**	**(7.1)**

Deferred Tax Assets and Liabilities

The tax effects of significant temporary differences representing deferred tax assets and liabilities at December 31, 2022 and December 31, 2021 are comprised of the following:

(In millions of US dollars)	December 31, 2022	December 31, 2021
Accounting provisions	1.8	1.7
Net operating loss carryforwards	38.6	19.6
Interest expense	42.0	28.7
Tax credits	0.3	0.6
Lease liability	3.7	1.9
Other	0.3	1.0
Gross deferred tax assets	86.7	53.5
Valuation allowance	(34.3)	(14.3)
Net deferred tax assets	52.4	39.2
Property, plant and equipment	39.5	42.0
Intangible assets	42.2	45.4
Latent gain	8.7	7.0
Right of use assets	3.7	1.6
Other	2.8	1.7
Total deferred tax liabilities	96.9	97.7
Net deferred tax liabilities	**44.5**	**58.5**

At December 31, 2022, the Company has $71.3 million of federal net operating loss carryforwards which are carried forward indefinitely, and $86.5 million state net operating loss carryforwards which will begin to expire in 2025. The Company also has foreign net operating losses of $89.4 million which may be carried forward indefinitely.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during periods in which temporary differences become deductible.

Evaluating the need for a valuation allowance for deferred tax assets often requires significant judgment. All available evidence, both positive and negative, is considered when determining whether, based on the weight of that evidence, a valuation allowance is needed.

After consideration of all positive and negative evidence, we believe that it is more likely than not that a portion of our deferred tax assets will not be realized. As a result, we recorded a valuation allowance of $34.3 million as of December 31, 2022, and $14.3 million as of December 31, 2021, representing an increase of $20.0 million. The increase in valuation allowance primarily relates to net operating losses generated in 2022, and Management believes that it is more likely than not that the results of future operations will not generate sufficient taxable income to realize the deferred tax assets.

The Company has not provided for deferred taxes on the outside basis differences in its investments in its foreign subsidiaries. The Company remains indefinitely reinvested in the outside basis differences of its foreign subsidiaries.

Accounting for Uncertainty in Income Taxes

At December 31, 2022, the Company had gross unrecognized tax benefits of approximately $0.9 million. If recognized in 2023, these tax benefits would favorably impact the effective tax rate.

(In millions of US dollars)	December 31, 2022	December 31, 2021[(1)]
Balance at beginning of period	2.8	1.8
Additions based on tax positions related to current period	0.0	1.0
Settlements and other	(1.9)	0.0
Balance at end of period	**0.9**	**2.8**

[(1)] Period began March 1, 2021 and ended December 31, 2021.

The Company recorded no accrued interest associated with unrecognized tax benefits for the period ending December 31, 2022. The Company recognizes accrued interest and penalties, if any, related to unrecognized tax benefits as a component of tax expense.

The major jurisdictions where the Company and its subsidiaries will file tax returns for 2022, in addition to filing two consolidated U.S. federal income tax returns, are Sweden and Spain. The Company and its subsidiaries will also file returns in various other countries in Europe as well as various U.S. states. At December 31, 2022, the Company is subject to foreign, federal and state income tax examinations for the tax years 2018 through 2022 including an ongoing audit in Europe. The Company does not anticipate that adjustments stemming from these audits and related indemnification from Domtar Corporation would result in a significant change to the results of its operations and financial condition.

NOTE 14.

Accumulated Other Comprehensive Income (Loss)

The following table presents the changes in accumulated other comprehensive income (loss), net of applicable taxes, by component:

(In millions of US dollars)	**Pension Plans**	**Foreign Currency Translation**	**Total**
Current period other comprehensive income/(loss) before reclassifications	(0.2)	(32.9)	(33.1)
Balances at December 31, 2021	**(0.2)**	**(32.9)**	**(33.1)**
Current period other comprehensive income/(loss) before reclassifications	1.6	(28.9)	(27.3)
Balances at December 31, 2022	**1.4**	**(61.8)**	**(60.4)**

Comprehensive income (loss) includes certain gains and losses that are excluded from net earnings (loss) under GAAP as these amounts are recorded directly as an adjustment to total equity. We recognize foreign currency translation gains (losses) as a component of comprehensive income (loss) due to changes in foreign exchange rates from the beginning of the period to the end of the period. Fluctuations in the value of foreign currencies as compared to USD may have a significant impact on comprehensive income (loss).

NOTE 15.

Commitments and Contingencies

Contingencies

In the normal course of operations, the Company becomes involved in various legal actions mostly related to contract disputes, patent infringements, and labor issues. While the final outcome with respect to actions outstanding or pending at December 31, 2022, cannot be predicted with certainty, it is management's opinion that their resolution will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Other Commercial Commitments

The Company has no significant purchase commitments at December 31, 2022.

NOTE 16.

Related Party Transactions

The Company reimbursed its equity holder for expenses in the amount of $1.1 million and $1.3 million during the year ended December 31, 2022 and for the period from February 9, through December 31, 2021, respectively.

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NOTE 17.

Subsequent Events

The Company has evaluated subsequent events through the filing of this Annual Report and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.