Årsredovisning

för

DPC Swedish Holdings AB

559268-4111

Räkenskapsåret

2024

Fastställelseintyg

Undertecknad styrelseledamot i DPC Swedish Holdings AB intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 30 juni 2025. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Aneby 30 juni 2025

Anna Södergren

Årsredovisning

för

DPC Swedish Holdings AB

559268-4111

Räkenskapsåret

2024

Styrelsen för DPC Swedish Holdings AB avger följande årsredovisning för räkenskapsåret 2024.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr).

Förvaltningsberättelse

Information om verksamheten
Bolaget ska direkt eller indirekt äga och förvalta aktier i dotterbolag.
Företaget har sitt säte i Stockholm.

Ägarförhållanden
Bolaget ägs till 100% av Journey Personal Care Holdings Ltd.

Flerårsöversikt (Tkr)	2024	2023	2022	2020/21 (17 mån)
Resultat efter finansiella poster	-394 061	141 181	-350 440	-226 525
Balansomslutning	2 261 560	2 168 334	1 887 589	1 887 580
Eget kapital	315 296	141 369	188	245 355

Förslag till vinstdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	141 343 627
årets vinst	173 927 375
	315 271 002
disponeras så att	
i ny räkning överföres	315 271 002

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

Resultaträkning

Tkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsens kostnader			
Övriga externa kostnader		-58	0
		-58	0
Rörelseresultat		-58	0
Resultat från finansiella poster			
Resultat från andelar i intresseföretag och gemensamt styrda företag	1	0	280 747
Räntekostnader och liknande resultatposter	2	-394 003	-139 566
		-394 003	141 181
Resultat efter finansiella poster		-394 061	141 181
Bokslutsdispositioner	3	567 988	0
Resultat före skatt		173 927	141 181
Årets resultat		173 927	141 181

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Balansräkning

Tkr

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	4, 5	0	0
Andelar i intresseföretag och gemensamt styrda företag	6, 7	2 191 484	2 168 268
		2 191 484	**2 168 268**
Summa anläggningstillgångar		**2 191 484**	**2 168 268**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		70 000	0
Förutbetalda kostnader och upplupna intäkter		77	67
		70 077	**67**
Summa omsättningstillgångar		**70 077**	**67**
SUMMA TILLGÅNGAR		**2 261 561**	**2 168 335**

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Balansräkning
Tkr

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	8, 9		
Bundet eget kapital			
Aktiekapital		25	25
		25	25
Fritt eget kapital			
Balanserad vinst eller förlust		141 344	163
Årets resultat		173 927	141 181
		315 271	141 344
Summa eget kapital		315 296	141 369
Långfristiga skulder			
Skulder till koncernföretag		1 647 045	1 541 986
Summa långfristiga skulder		1 647 045	1 541 986
Kortfristiga skulder			
Skulder till koncernföretag		299 220	484 980
Summa kortfristiga skulder		299 220	484 980
SUMMA EGET KAPITAL OCH SKULDER		2 261 561	2 168 335

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Rapport över förändringar i eget kapital

Tkr

	Aktie-kapital	Balanserat resultat	Årets resultat	Summa eget kapital
Ingående eget kapital 2023-01-01	**25**	**350 603**	**-350 440**	**188**
Disposition enligt föregående års stämma		-350 440	350 440	0
Årets resultat			141 181	141 181
Utgående eget kapital 2023-12-31	**25**	**163**	**141 181**	**141 369**
Disposition enligt föregående års stämma		141 181	-141 181	0
Årets resultat			173 927	173 927
Utgående eget kapital 2024-12-31	**25**	**141 344**	**173 927**	**315 296**

Ovillkorat aktieägartillskott ingår med 577 127 (577 127) TSEK.

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Noter

Tkr

Redovisnings- och värderingsprinciper

Allmänna upplysningar

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

Fordringar har upptagits till ett belopp varmed de beräknas inflyta.

Övriga tillgångar och skulder har upptagits till anskaffningsvärde där inget annat anges.

Utländska valutor

Fordringar och skulder i utländsk valuta har värderats 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

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.

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.

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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.

Nyckeltalsdefinitioner
Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Eget kapital
Företagets nettotillgångar, dvs skillnaden mellan tillgångar och skulder.

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 och redovisningsändamål som blir följden av dessa kommer, defenitionsmässigt, 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 hos koncernföretag:
Då risken i förväntade inbetalningar anses vara begränsad görs inte någon reservering för osäkra fordringar.

Not 1 Resultat från andelar i intresseföretag och gemensamt styrda företag

	2024	2023
Erhållna utdelningar	0	2 168 268
Resultat vid avyttringar	0	-1 887 521
	0	280 747

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Not 2 Räntekostnader och liknande resultatposter

	2024	2023
Räntekostnader till koncernföretag	-192 753	-189 849
Kursdifferenser	-200 981	50 842
Övriga finansiella kostnader	-269	-558
	-394 003	-139 565

Not 3 Bokslutsdispositioner

	2024	2023
Mottagna koncernbidrag	567 988	0
	567 988	0

Not 4 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	0	0
Utgående ackumulerade anskaffningsvärden	**0**	**0**
Utgående redovisat värde	**0**	**0**

Not 5 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Bokfört värde
Journey Personal Care UK GP Ltd	100%	100%	0
			0

	Org.nr	Säte	Eget kapital	Resultat
Journey Personal Care UK GP Ltd	13191935	London, UK	0	0

Not 6 Andelar i intresseföretag och gemensamt styrda företag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	2 168 268	1 887 521
Inköp	23 216	2 168 268
Försäljningar	0	-1 887 521
Utgående ackumulerade anskaffningsvärden	**2 191 484**	**2 168 268**
Utgående redovisat värde	**2 191 484**	**2 168 268**

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Not 7 Specifikation andelar i intresseföretag och gemensamt styrda företag

Namn	Kapital-andel	Rösträtts-andel	Bokfört värde
Attindas Hygiene Partners AB	100	100	2 123 256
Zither L Investments Sàrl	100	100	68 228
			2 191 484

	Org.nr	Säte	Eget kapital	Resultat
Attindas Hygiene Partners AB	556883-7099	Aneby	151 099	-27
Zither L Investments Sàrl	B167314	Luxembourg	107 638	150

Not 8 Antal aktier och kvotvärde

Namn	Antal aktier
Antal A-Aktier	25 000
	25 000

Not 9 Disposition av vinst eller förlust

	2024-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	141 344
årets vinst	173 927
	315 271
disponeras så att	
i ny räkning överföres	315 271

Not 10 Ställda säkerheter

	2024-12-31	**2023-12-31**
Företagsinteckning	0	0
	0	**0**

Not 11 Eventualförpliktelser

	2024-12-31	**2023-12-31**
Eventualförpliktelser	0	0
	0	**0**

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DPC Swedish Holdings AB
Org.nr 559268-4111

Resultat och balansräkning kommer att föreläggas på årsstämma för fastställelse.

Aneby 30 juni 2025

Marcy Lemieux
Ordförande

Emilio Barta Perez

Anna Södergren

Fotokopians överensstämmelse
med originalet intygas:
....

2024 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, 2024 and 2023, the related consolidated statements of operations and comprehensive income (loss), equity and cash flows for the years then ended, 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, 2024 and 2023, and the results of their operations and their cash flows for the years then ended 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 20, 2025

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AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(In millions of US dollars)	Year Ended December 31, 2024	2023
Sales	1,104.4	1,069.9
Operating expenses		
Cost of sales	806.0	813.4
Depreciation and amortization	68.7	68.4
Selling, general and administrative	149.8	147.3
Transaction & acquisition costs	-	0.4
Other operating (income)/loss, net	4.1	(0.5)
	1,028.6	1,029.0
Operating income	75.8	40.9
Loss on extinguishment of debt	0.9	-
Interest expense, net	67.1	69.4
Foreign currency loss	5.9	-
Earnings (loss) before income taxes	1.9	(28.5)
Income tax expense	5.3	3.3
Net loss	(3.4)	(31.8)
Net (income) loss attributable to non-controlling interests	(0.1)	0.8
Net loss attributable to AIPCF VII DPC Funding, LP	**(3.5)**	**(31.0)**
Other comprehensive income (loss):		
Derivative gain/(loss) on cash flow hedges, (net of tax (benefit)/expense of $0.6 and $(0.2), respectively)	2.9	(0.5)
Foreign currency translation adjustments	(15.6)	11.8
Unrealized loss on defined benefit postretirement plans (net of tax benefit of $(0.1) and $(0.3), respectively)	(0.1)	(0.5)
Other comprehensive income (loss)	(12.8)	10.8
Comprehensive loss	(16.2)	(21.0)
Comprehensive (income) loss attributable to non-controlling interests	(1.6)	0.8
Comprehensive loss attributable to AIPCF VII DPC Funding, LP	**(17.8)**	**(20.2)**

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, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	20.8	17.5
Receivables, net	131.4	133.2
Inventories, net	122.2	115.2
Prepaid expenses and other	8.4	7.6
Income and other taxes receivable	5.6	2.8
Total current assets	288.4	276.3
Property, plant and equipment, net	276.0	281.5
Operating lease right-of-use assets	21.3	14.7
Goodwill and other intangibles, net	376.1	403.7
Other assets	1.6	0.5
Total assets	**963.4**	**976.7**
Liabilities and member's equity		
Current liabilities		
Trade and other payables	142.7	148.8
Income and other taxes payable	8.5	10.6
Operating lease liabilities due within one year	7.0	5.3
Current maturities of long-term debt and other borrowings	47.5	41.5
Total current liabilities	205.7	206.2
Long-term debt and other borrowings, net	639.7	636.1
Operating lease liabilities	14.3	9.4
Deferred income taxes and other	36.9	39.6
Other liabilities and deferred credits	3.5	3.5
Member's equity		
Equity	122.4	127.1
Accumulated other comprehensive loss	(60.9)	(49.6)
Total AIPCF VII DPC Funding, LP equity	61.5	77.5
Non-controlling interest	1.8	4.4
Total member's equity	63.3	81.9
Total liabilities and member's equity	**963.4**	**976.7**

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

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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
Balances at December 31, 2022	**158.1**	**(60.4)**	**5.3**	**103.0**
Net loss attributable to AIPCF VII DPC Funding, LP	(31.0)	-	-	(31.0)
Net loss attributable to non-controlling interests (net of tax expense of $0.1)	-	-	(0.9)	(0.9)
Derivative loss on cash flow hedges, (net of tax benefit of $0.2)	-	(0.5)	-	(0.5)
Foreign currency translation adjustments	-	11.8	-	11.8
Unrealized loss on defined benefit postretirement plans (net of tax benefit of $0.3)	-	(0.5)	-	(0.5)
Balances at December 31, 2023	**127.1**	**(49.6)**	**4.4**	**81.9**
Net loss attributable to AIPCF VII DPC Funding, LP	(3.5)	-	-	(3.5)
Net loss attributable to non-controlling interests (net of tax expense of $0.2)	-	-	(0.1)	(0.1)
Share repurchase	(1.2)	-	(1.0)	(2.2)
Derivative gain on cash flow hedges, (net of tax expense of $0.6)	-	2.8	0.1	2.9
Foreign currency translation adjustments	-	(14.0)	(1.6)	(15.6)
Unrealized loss on defined benefit postretirement plans (net of tax benefit of $0.1)	-	(0.1)	-	(0.1)
Balances at December 31, 2024	**122.4**	**(60.9)**	**1.8**	**63.3**

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, 2024	2023
Operating activities		
Net loss	(3.4)	(31.8)
Adjustments to reconcile net earnings (loss) to cash flows from operating activities		
Depreciation and amortization	68.7	68.4
Deferred income taxes and tax uncertainties	(1.3)	(6.9)
Amortization of deferred financing costs	3.1	3.2
Loss on extinguishment of debt	0.9	-
Gain on disposition of assets	(0.1)	(0.1)
Unrealized foreign currency loss	5.8	-
Changes in assets and liabilities		
Receivables	(3.3)	(8.2)
Inventories	(10.4)	13.9
Prepaid expenses	0.9	(0.1)
Trade and other payables	(1.9)	4.0
Income and other taxes	(5.0)	4.1
Other assets and other liabilities	(0.4)	1.2
Net cash provided by operating activities	53.6	47.7
Investing activities		
Additions to property, plant and equipment	(55.9)	(13.3)
Proceeds from sale of property and equipment	0.1	0.1
Acquisition net of cash acquired	0.3	(5.0)
Net cash used for investing activities	(55.5)	(18.2)
Financing activities		
Repurchase of equity	(2.2)	-
Borrowings from revolver	6.0	11.0
Repayments of revolver	(10.5)	(43.4)
Line of credit borrowings	11.0	9.0
Proceeds from long-term debt	15.5	0.1
Debt issuance cost	(1.0)	-
Repayments of long-term debt and capital lease obligations	(12.9)	(12.7)
Net cash provided by (used for) financing activities	5.9	(36.0)
Impact of foreign exchange on cash	(0.7)	0.2
Net increase (decrease) in cash and cash equivalents	3.3	(6.3)
Cash and cash equivalents at beginning of period	17.5	23.8
Cash and cash equivalents at end of period	**20.8**	**17.5**
Supplemental cash flow information		
Net cash payments for:		
Interest	64.1	65.6
Income taxes	10.7	6.9

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

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.

Member's Equity

AIPCF VII DPC Funding, LP is registered in the Cayman Islands. The Company's primary equity holders are funds and an investment vehicle associated with AIP CF VII, Ltd. As of December 31, 2024 the Company's direct subsidiary, Journey Personal Care Holdings Ltd., had 286,955,150 ordinary A shares of common stock outstanding, 97.5% owned by the Company, and the remaining held by management.

Share Repurchases

In fiscal year 2024, the company repurchased and cancelled 1,000,000 ordinary A shares for a total consideration of $2.2 million.

NOTE 2.

Basis of Presentation

The consolidated financial statements of AIPCF VII DPC Funding, LP and its subsidiaries were prepared in accordance with using accounting principles generally accepted in the United States of America ("US GAAP").

The preparation of financial statements in conformity with US 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.

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 $17.8 million and $19.5 million at December 31, 2024 and 2023, respectively.

Our ten largest customers represented approximately 47% of our sales in 2024 and 48% in 2023. For the year ended December 31, 2024 and 2023, two customers each accounted for more than 10% of our consolidated revenues, as shown in the table below.

	Year Ended December 31,	
	2024	2023
(As a % of total sales)		
Customer A	10%	11%
Customer B	13%	14%

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 US 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.

Derivative instruments

Derivative instruments may be utilized by the Company as part of the overall strategy to manage exposure to fluctuations in foreign currency. As a matter of policy, derivatives are not used for trading or speculative purposes. All derivatives are recorded at fair value either as assets or liabilities. When derivative instruments have been designated within a hedge relationship and are highly effective in offsetting the identified risk characteristics of specific financial assets and liabilities or group of financial assets and liabilities, hedge accounting is applied. In a cash flow hedge, changes in fair value of derivative instruments are recorded in other comprehensive income (loss) and reclassified to our net earnings (loss) when the hedged transaction affects earnings. If it becomes probable that the hedged transaction will not occur, we immediately recognize the related hedging gains or losses in net earnings (loss).

Foreign Currency Translation and Transaction Gains and Losses

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. Transaction gains and losses related to operational activities (e.g. receivables, payables) are recognized in other operating (income)/loss, net, while transaction gains and losses related to debt are included in foreign currency (gain) loss within the consolidated statements of operations and comprehensive income (loss).

Debt related foreign currency transactions resulted in a loss of $5.9 million for the year ended December 31, 2024, and we recorded no debt related foreign currency transactions for the year ended December 31, 2023. During 2024 three Spanish subsidiaries merged into a single legal entity, one of the subsidiaries carried a US dollar denominated intercompany loan. With the 2024 entity merger the US dollar denominated intercompany loan was transferred from a US dollar functional currency entity to a Euro functional currency entity. The foreign currency loss in 2024 is related to the revaluation of the transferred US dollar denominated intercompany loan to Euro.

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.

The Organization for Economic Cooperation and Development ("OECD") has published rules for a new global minimum tax framework through its base erosion and profit shifting pillar two project ("BEPS Pillar Two"), and various governments around the world have enacted or are in the process of enacting legislation on these rules. Many member states have committed to adopting BEPS Pillar Two, which calls for a global minimum tax of 15% to be effective for tax years beginning in 2024. The OECD guidance published to date includes transition and safe harbor rules around the implementation of the BEPS Pillar Two global minimum tax. The new rules do not have a material impact on our 2024 financial statements.

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 approximated book value on December 31, 2024, 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, 2024.

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.

NOTE 4.

Business Combination

On December 1, 2023, the Company's subsidiary, Home Delivery Incontinent Supplies Co. ("HDIS"), purchased the assets of Professional Medical Fulfillment, Inc. ("PMF"). The purchase price was $6.9 million, which consisted of $5.0 million of cash, $2.4 million of estimated contingent consideration, less $0.5 million working capital adjustment.

Based on the fair values of identifiable assets acquired and liabilities assumed at the acquisition date, the consideration was allocated as follows: $6.7 million to goodwill and $0.2 million to other net assets primarily related to working capital.

As of December 1, 2023, HDIS recorded a contingent consideration liability of $2.4 million, a fair value estimate using Level 3 inputs, to be paid based on meeting certain performance targets beginning January 1, 2024, through December 31, 2026.

As of December 1, 2023, HDIS recorded a reduction in the purchase price of $0.5 million due to the estimated working capital being greater than the closing working capital.

The purchase transaction has been accounted for as a business combination in accordance with the accounting guidance in ASC 805 – *Business Combinations.*

The following table represents the allocation of the purchase price:

(In millions of US dollars)	**Preliminary**	**Adjustment**	**Final**
Receivables, net	1.5	(0.1)	1.4
Inventories, net	0.1	-	0.1
Other current assets	0.1	-	0.1
Goodwill	6.6	0.1	6.7
Operating lease right-of-use assets	0.2	-	0.2
Total assets	8.5	-	8.5
Trade and other payables	1.4	-	1.4
Operating lease liabilities	0.2	-	0.2
Total liabilities	1.6	-	1.6
Total purchase price	**6.9**	**-**	**6.9**

NOTE 5.

Inventories

The major components of inventories were as follows:

(In millions of US dollars)	December 31, 2024	December 31, 2023
Raw materials	26.5	28.6
Work in process	0.8	1.0
Finished goods	71.2	62.9
Spare parts	23.7	22.7
Inventories, net	**122.2**	**115.2**

Reserve balances, primarily related to obsolete and slow-moving inventories, were $0.7 million and $0.6 million at December 31, 2024 and 2023, 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, 2024	December 31, 2023
Machinery and equipment	344.8	327.3
Buildings and improvements	87.9	90.6
Assets under construction	31.9	7.8
Property, plant and equipment, gross	464.6	425.7
Less: Accumulated depreciation	(188.6)	(144.2)
Property, plant and equipment, net	**276.0**	**281.5**

Depreciation expense related to property, plant and equipment were $54.1 million and $52.6 million for the year ended December 31, 2024 and 2023, respectively.

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:

	Year Ended December 31,	
	2024	2023
(In millions of US dollars)		
Operating lease expense	7.2	6.5
Short-term lease expense	3.8	3.7
Finance lease expense:		
Amortization of right-of-use assets	1.5	1.4
Interest on lease liabilities	0.5	0.5
Total lease cost	**13.0**	**12.1**

Supplemental cash flow information related to leases was as follows:

	Year Ended December 31,	
	2024	2023
(In millions of US dollars)		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	7.2	6.5
Operating cash flows from finance leases	0.5	0.6
Financing cash flows from finance leases	3.3	3.1
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	12.9	2.7
Finance leases	9.1	0.1

Supplemental balance sheet information related to leases was as follows:

(In millions of US dollars)	December 31, 2024	December 31, 2023
Operating Leases		
Operating leases right-of-use assets	**21.3**	**14.7**
Lease liabilities due within one year	(7.0)	(5.3)
Operating lease liabilities	(14.3)	(9.4)
	(21.3)	**(14.7)**
Finance leases		
Property, plant and equipment	30.3	22.6
Accumulated depreciation	(9.3)	(8.5)
	21.0	**14.1**
Long-term debt	**(17.0)**	**(11.7)**
Weighted-average remaining lease term		
Operating leases	5.4 years	3.1 years
Finance leases	5.0 years	3.5 years
Weighted-average discount rate		
Operating leases	4.1%	4.5%
Finance leases	4.5%	4.8%

Maturities of lease liabilities at December 31, 2024 were as follows:

(In millions of US dollars)	Operating leases	Finance leases
2025	7.1	4.5
2026	6.2	4.9
2027	2.4	3.2
2028	1.6	1.7
2029	1.2	1.8
Thereafter	5.2	3.0
Total lease payments	**23.7**	**19.1**
Less: Imputed interest	2.4	2.1
Total lease liabilities	**21.3**	**17.0**

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NOTE 8.

Goodwill and Other Intangibles, Net

The following table presents the components of other intangible assets:

	December 31, 2024		
	Cost	Accumulated Amortization	Net
(In millions of US dollars)			
Trademarks	100.2	(15.4)	84.8
Customer relationship	127.4	(35.4)	92.0
Developed technology	8.8	(6.1)	2.7
Definite-lived intangibles	236.4	(56.9)	179.5
Goodwill	196.6	-	196.6
Intangible assets, net	**433.0**	**(56.9)**	**376.1**

	December 31, 2023		
	Cost	Accumulated Amortization	Net
(In millions of US dollars)			
Trademarks	105.7	(12.0)	93.7
Customer relationship	134.6	(28.4)	106.2
Developed technology	9.4	(4.8)	4.6
Definite-lived intangibles	249.7	(45.2)	204.5
Goodwill	199.2	-	199.2
Intangible assets, net	**448.9**	**(45.2)**	**403.7**

Amortization expense related to long-lived intangibles were $14.6 million and $15.8 million for the year ended December 31, 2024 and 2023, respectively.

The estimated future amortization of intangible assets as of December 31, 2024 is as follows:

	Amount
(In millions of US dollars)	
2025	13.7
2026	13.2
2027	12.1
2028	12.1
2029	12.1
Thereafter	116.3
Total	**179.5**

The changes in goodwill balances for the years ended December 31, 2024 and 2023 were as follows:

(In millions of US dollars)	Amount
Balances at December 31, 2022	**191.2**
Goodwill additions due to acquisition	6.6
Foreign currency translation	1.4
Balances at December 31, 2023	**199.2**
Goodwill additions due to acquisition	0.1
Foreign currency translation	(2.7)
Balances at December 31, 2024	**196.6**

The changes in other intangible balances for the years ended December 31, 2024 and 2023 were as follows:

(In millions of US dollars)	Cost	Accumulated Amortization	Net
Balances at December 31, 2022	**242.9**	**(28.5)**	**214.4**
Amortization	-	(15.8)	(15.8)
Foreign currency translation	6.8	(0.9)	5.9
Balances at December 31, 2023	**249.7**	**(45.2)**	**204.5**
Amortization	-	(14.6)	(14.6)
Foreign currency translation	(13.3)	2.9	(10.4)
Balances at December 31, 2024	**236.4**	**(56.9)**	**179.5**

NOTE 9.

Trade and Other Payables

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

(In millions of US dollars)	December 31, 2024	December 31, 2023
Trade payables	97.8	98.8
Accrued liabilities	13.6	16.7
Salaries and payroll payable	21.9	22.1
Sales-related provisions	6.9	6.8
Payables on capital projects	1.7	0.5
Closure and restructuring costs liability	0.8	3.2
Derivative liabilities	-	0.7
Trade and other payables	**142.7**	**148.8**

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.

On November 27, 2024 the term loan agreement was amended to lower its' applicable margin by 50 bps from 4.25% to 3.75%, and to remove the Term SOFR Adjustment. The Company paid $1.0 million in fees to facilitate the amendment, these fees are reflected as additional debt discount and amortized as an adjustment to interest expense over the remaining term of the amended term loan agreement. The company also wrote-off $0.9 million unamortized debt discount as certain lenders qualified for debt extinguishment accounting.

The amended 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:

Amended term loan

- SOFR (ranging from one month to 12 months) subject to a floor of 0.75%
  - plus, 3.75% applicable margin
- Alternative base rate determined as the highest of the Federal Funds Rate plus 0.50%, Prime Lending Rate, or one month Adjusted Term SOFR plus 1.00%
  - plus, 2.75% applicable margin
- Administrative Agent fees

Revolving credit line

- SOFR Rate Loan: SOFR (ranging from one month to 12 months) subject to a floor of 0.00%
  - plus, 0.10% Revolving SOFR adjustment (together with SOFR "Adjusted Revolving SOFR"),
  - 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 Adjusted Revolving SOFR 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.

On April 1, 2025, the revolving credit agreement was amended to lower the interest rate on borrowings and extend its' maturity date to April 1, 2030, provided that if as of December 1, 2027 the Company has not repurchased, repaid, discharged, converted into a different instrument and/or refinanced the term loan, then the maturity date is December 1, 2027. The company may repay principal, in whole or in part, at any time without penalty. Outstanding borrowings under the revolving credit line was $17.8 million as of December 31, 2024 with a one-month interest period, due full repayment or extension in January 2025, and $22.3 million as of December 31, 2023.

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, 2024.

The Company was in compliance with all financial covenants as of December 31, 2024.

Other borrowings consist of €14.3 million and €11.7 million long-term borrowings, $17.0 million and $11.7 million finance leases, and €19.5 million and €9.3 million short-term borrowings under our line of credit as of December 31, 2024 and 2023, respectively.

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

(In millions of US dollars)	**Rates as of December 31, 2024**	**December 31, 2024**	**December 31, 2023**
Revolving credit line - SOFR Rate Loan	6.42%	17.8	22.3
Term loan	8.34%	627.2	633.7
Other borrowings	0.00% - 5.23%	51.6	33.9
Total debt and other borrowings		696.6	689.9
Current maturities of long-term debt and other borrowings		47.5	41.5
Total long-term debt and other borrowings		649.1	648.4
Unamortized debt discount		(9.4)	(12.3)
Long-term debt and other borrowings, net		**639.7**	**636.1**

The following table presents the maturities of our long-term debt and other borrowings, net as of December 31, 2024:

(In millions of US dollars)	**Revolving credit line**	**Term loan**	**Other borrowings**	**Total repayments**
2025	17.8	6.5	26.4	50.7
2026	-	6.5	7.7	14.2
2027	-	6.5	5.5	12.0
2028	-	607.7	2.3	610.0
2029	-	-	2.5	2.5
Thereafter	-	-	7.2	7.2
Total debt maturities	**17.8**	**627.2**	**51.6**	**696.6**

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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 $3.5 million and $2.9 million for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, the measurement date for each year:

(In millions of US dollars)	December 31, 2024	December 31, 2023
Projected benefit obligation at beginning of period	10.0	8.8
Interest expense	0.3	0.3
Actuarial loss (gain)	(0.1)	0.8
Benefits paid	(2.2)	(0.3)
Net transfer in	-	0.1
Effect of foreign currency exchange rate change	(0.5)	0.3
Projected benefit obligation at end of period	**7.5**	**10.0**

Change in Fair Value of Assets

The following table represents the change in fair value of assets for the years ended December 31, 2024 and 2023, reflecting the actual return on plans assets, the contributions and the benefits paid for each year:

(In millions of US dollars)	December 31, 2024	December 31, 2023
Fair value of assets at beginning of period	9.0	8.0
Actual return on plan assets	-	0.3
Employer contributions	0.3	0.7
Benefits paid	(2.2)	(0.3)
Net transfer in	-	0.1
Effect of foreign currency exchange rate change	(0.5)	0.2
Fair value of assets at end of period	**6.6**	**9.0**

Reconciliation of Funded Status to Amounts Recognized in the Consolidated Balance 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, 2024	December 31, 2023
Projected benefit obligation at end of year	(7.5)	(10.0)
Fair value of assets at end of year	6.6	9.0
Deficit	**(0.9)**	**(1.0)**

(In millions of US dollars)	December 31, 2024	December 31, 2023
Other assets	0.3	-
Other liabilities and deferred credits	(1.2)	(1.0)
Net amount recognized in the Consolidated Balance Sheets	**(0.9)**	**(1.0)**

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

(In millions of US dollars)	Year ended December 31, 2024	Year ended December 31, 2023
Net loss	(0.2)	(0.6)
Amortization of net actuarial gain	(0.1)	(0.1)
Net amount recognized in other comprehensive (loss) income (pre-tax)	**(0.3)**	**(0.7)**

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

(In millions of US dollars)	Year ended December 31, 2024	Year ended December 31, 2023
Interest expense	0.3	0.3
Expected return on plan assets	(0.2)	(0.2)
Amortization of net actuarial loss	(0.1)	(0.1)
Net periodic benefit cost	-	-

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, 2024	December 31, 2023
Projected benefit obligation		
Discount rate	3.5%	3.5%
Rate of compensation increase	3.3%	3.1%
Net periodic benefit cost		
Discount rate	3.5%	3.9%
Rate of compensation increase	3.1%	2.9%
Expected long-term rate of return on plan assets	2.9%	3.6%

Fair Value Measurement

The following table presents the fair value of the plan assets at December 31, 2024, by asset category:

	December 31, 2024			
	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]	6.6	-	-	6.6
Total	**6.6**	**-**	**-**	**6.6**

[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, 2023, by asset category:

	December 31, 2023			
	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]	9.0	-	-	9.0
Total	**9.0**	**-**	**-**	**9.0**

[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, 2024 are as follows:

(In millions of US dollars)	Amount
2025	0.4
2026	0.4
2027	0.4
2028	0.4
2029	0.4
2030-2034	2.2

NOTE 12.

Derivatives and Hedging

We are exposed to market risks arising from adverse changes in foreign exchange rates and currency restrictions. In the normal course of business, we manage foreign exchange risks through a variety of strategies, including productivity initiatives and hedging. Ongoing productivity initiatives involve the identification and effective implementation of meaningful cost-saving opportunities or efficiencies, including the use of derivatives. We do not use derivative instruments for trading or speculative purposes.

Our hedging strategies include the use of derivatives. Certain derivatives are designated as cash flow hedges and qualify for hedge accounting treatment. The accounting for qualifying hedges allows changes in a hedging instrument's fair value to offset corresponding changes in the hedged item in the same reporting period that the hedged item impacts earnings. Gains or losses on derivatives designated as cash flow hedges are recorded in accumulated other comprehensive income (loss) and reclassified to our net earnings (loss) when the hedged transaction affects earnings. If it becomes probable that the hedged transaction will not occur, we immediately recognize the related hedging gains or losses in net earnings (loss).

Foreign Exchange

We are exposed to foreign exchange risks in the international markets in which our products are made, manufactured, distributed or sold. Additionally, we are exposed to foreign exchange risk from foreign currency purchases and foreign currency assets and liabilities created in the normal course of business. We manage this risk through sourcing purchases from local suppliers, negotiating contracts in local currencies with foreign suppliers and through the use of derivatives, primarily forward contracts with terms of no more than two years. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains or losses on our income statement as incurred.

Our foreign currency derivatives had a total notional value of $61.0 million and $43.0 million as of December 31, 2024 and 2023, respectively.

Fair Value Measurement

The fair values of financial instruments used in hedging transactions as of December 31, 2024 and 2023, are as follows:

(In millions of US dollars)	Fair Value Hierarchy Levels	Balance Sheet Location	Asset Derivatives December 31, 2024	Asset Derivatives December 31, 2023
Derivatives designated as cash flow hedging instruments:				
Foreign exchange[1]	2	Prepaid expenses and other	1.9	-
Foreign exchange[1]	2	Other assets	0.9	-

[1] Based on recently reported market transactions of spot and forward rates.

(In millions of US dollars)	Fair Value Hierarchy Levels	Balance Sheet Location	Liability Derivatives December 31, 2024	Liability Derivatives December 31, 2023
Derivatives designated as cash flow hedging instruments:				
Foreign exchange[1]	2	Trade and other payables	-	0.7
Foreign exchange[1]	2	Other liabilities and deferred credits	-	-

[1] Based on recently reported market transactions of spot and forward rates.

Gains/(losses) on our hedging instruments are categorized as follows:

	Cash Flow Hedges			
	Gains/(Losses) Recognized in Accumulated Other Comprehensive Loss		Gains/(Losses) Reclassified from Accumulated Other Comprehensive Loss into Income Statement[1]	
	Year Ended December 31,		Year Ended December 31,	
(In millions of US dollars)	2024	2023	2024	2023
Foreign exchange	2.9	(0.3)	0.5	0.2

[1] Foreign exchange derivative losses/gains are included in cost of sales.

Based on current market conditions, we expect to reclassify net gains of $1.9 million related to our cash flow hedges from accumulated other comprehensive loss into net earnings (loss) during the next 12 months.

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NOTE 13.

Other Liabilities and Deferred Credits

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

(In millions of US dollars)	December 31, 2024	December 31, 2023
Contingent liability	2.2	2.4
Pension liability - defined benefit pension plans	1.2	1.0
Deferred credits	0.1	0.1
Other Liabilities and Deferred Credits	**3.5**	**3.5**

NOTE 14.

Income Taxes

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

(In millions of US dollars)	Year Ended December 31, 2024	Year Ended December 31, 2023
U.S. loss	(17.6)	(15.9)
Foreign earnings (loss)	19.5	(12.6)
Earnings (loss) before income taxes	1.9	(28.5)

Income tax expense/(benefit) include the following:

(In millions of US dollars)	Year Ended December 31, 2024	Year Ended December 31, 2023
U.S. Federal and State:		
Current	1.3	1.5
Deferred	1.7	0.8
Foreign:		
Current	5.3	8.5
Deferred	(3.0)	(7.5)
Income tax expense	5.3	3.3

The Company's income tax expense/(benefit) 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, 2024**	**Year Ended December 31, 2023**
Statutory income tax	0.7	(6.5)
Reconciling Items:		
State and local income taxes, net of federal income tax benefit	(0.2)	0.3
Foreign income tax rate differential	0.9	0.8
Prior year adjustments	0.9	1.0
Valuation allowance on deferred tax assets	6.4	8.6
Nondeductible expenses	(3.3)	(0.6)
Other	(0.1)	(0.3)
Income tax expense	5.3	3.3

Deferred Tax Assets and Liabilities

The tax effects of significant temporary differences representing deferred tax assets and liabilities at December 31, 2024 and 2023 are comprised of the following:

(In millions of US dollars)	**December 31, 2024**	**December 31, 2023**
Accrued expenses and reserves	1.2	1.6
Net operating loss carryforwards	23.6	32.5
Interest expense	58.1	59.8
Tax credits	0.3	0.3
Lease liability	4.9	3.5
Intangible assets	3.2	3.6
Other	0.4	0.4
Gross deferred tax assets	91.7	101.7
Valuation allowance	(45.1)	(45.0)
Net deferred tax assets	46.6	56.7
Property, plant and equipment	28.2	33.9
Accrued expenses and reserves	-	2.6
Intangible assets	40.4	45.2
Latent gain	6.5	8.5
Right of use assets	4.9	3.5
Other	2.5	1.8
Total deferred tax liabilities	82.5	95.5
Net deferred tax liabilities	**35.9**	**38.8**

At December 31, 2024, the Company has $46.5 million of federal net operating loss carryforwards which are carried forward indefinitely, and $80.5 million state net operating loss carryforwards which will begin to expire in 2025. The Company also has foreign net operating losses of $49.6 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 $45.1 million as of December 31, 2024, and $45.0 million as of December 31, 2023, representing an increase of $0.1 million. The increase in valuation allowance primarily relates to net operating losses generated in 2024 and current year non-deductible interest expense, 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, 2024 and 2023, the Company had gross unrecognized tax benefits of approximately $0.9 million. If recognized in 2025, these tax benefits would favorably impact the effective tax rate.

The Company recorded no accrued interest associated with unrecognized tax benefits for the period ending December 31, 2024. 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 2024, 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, 2024, the Company is subject to foreign, federal and state income tax examinations for the tax years 2020 through 2024.

NOTE 15.

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	Derivatives	Total
Balances at December 31, 2022	**1.4**	**(61.8)**	**-**	**(60.4)**
Current period other comprehensive income/(loss) before reclassifications	(0.4)	11.8	(0.3)	11.1
Amounts reclassified from accumulated other comprehensive income/(loss)	(0.1)	-	(0.2)	(0.3)
Balances at December 31, 2023	**0.9**	**(50.0)**	**(0.5)**	**(49.6)**
Current period other comprehensive income/(loss) before reclassifications	-	(14.0)	3.3	(10.7)
Amounts reclassified from accumulated other comprehensive income/(loss)	(0.1)	-	(0.5)	(0.6)
Balances at December 31, 2024	**0.8**	**(64.0)**	**2.3**	**(60.9)**

Comprehensive income (loss) includes certain gains and losses that are excluded from net earnings (loss) under US 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 16.

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, 2024, 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, 2024.

NOTE 17.

Related Party Transactions

The Company reimbursed its equity holder for expenses in the amount of $0.4 million and $0.9 million during the years ended December 31, 2024 and 2023, respectively.

NOTE 18.

Subsequent Events

The Company has evaluated subsequent events through May 20, 2025, the date on which the financial statements were available to be issued, and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements, other than the transactions disclosed in Note 10.