


Årsredovisning
för
Attends Healthcare Holdings AB
556628-7339
Räkenskapsåret
2021

Fastställelseintyg

Undertecknad styrelseledamot i Attends Healthcare Holdings AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 20 juni 2022. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Aneby den 20 juni 2022


Anna Södergren

Styrelsen avger följande årsredovisning för räkenskapsåret 2021.

Förvaltningsberättelse

Information om verksamheten

Bolaget äger och förvaltar aktierna i dotterbolag.
Företaget har sitt säte i Aneby.

Flerårsöversikt (TEUR)	2021	2020	2019	2018	2017
Nettoomsättning	0	0	0	0	0
Resultat efter finansiella poster	23 603	7 402	2 717	4 249	-1 724
Balansomslutning	67 414	63 086	65 352	62 349	58 018
Eget kapital	33 648	33 647	32 214	6 659	8 157
Soliditet (%)	50	53	49	11	14

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 2017-2019 för jämförbarhet.

Väsentliga händelser under räkenskapsåret

Under räkenskapsåret påverkades koncernen liksom omvärlden i övrigt av Covid-19 pandemin samtidigt som både råmaterial- och fraktpriser ökade under andra halvåret. Vad beträffar koncernens ekonomi och finansiella ställning har pandemin dock inte medfört några väsentliga effekter för räkenskapsåret 2021.

Del av koncernen där Attends Healthcare Holdings AB ingår blev i mars 2021 sålt till American Industrial Partners.

Väsentliga händelser efter räkenskapsårets slut

För räkenskapsåret 2022 är omvärldsförutsättningarna fortsatt osäkra till följd av Covid-19 pandemin samt av krigsutbrottet i Ukraina. Det är därför inte möjligt att fullt ut bedöma omfattningen av de direkta och indirekta effekter som detta kan leda till för koncernen. Styrelsens bedömning är dock i nuläget att koncernen inte kommer påverkas väsentligt av ovan. De nu rådande omvärldsförutsättningarna förväntas öka kostnadsbasen framförallt gällande ökade råmaterialpriser, frakter och elpriser vilket kommer påverka koncernens resultat negativt. Koncernen avser dock att genomföra betydande prishöjningar under året för att kompensera för dessa ökade kostnader.

Ägarförhållanden

Bolaget var vid räkenskapsårets utgång 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.

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (EUR):

balanserad vinst	15 635 820
årets vinst	18 000 000
	33 635 820

disponeras så att i ny räkning överföres	33 635 820
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Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.



Resultaträkning

TEUR

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Övriga externa kostnader		0	-83
Rörelseresultat	2, 3	0	-83
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	4	18 000	9 000
Ränteintäkter och liknande resultatposter	5	5 603	2 343
Räntekostnader och liknande resultatposter	6	0	-3 858
		23 603	7 485
Resultat efter finansiella poster		23 603	7 402
Bokslutsdispositioner	7	-5 603	1 335
Resultat före skatt		18 000	8 737
Skatt på årets resultat		0	1 696
Årets resultat		18 000	10 433

Balansräkning

TEUR

Not 2021-12-31 2020-12-31

TILLGÅNGAR

Anläggningstillgångar

Finansiella anläggningstillgångar

Andelar i koncernföretag	8, 9	20 413	20 413
Fordringar hos koncernföretag	10	41 554	37 226
		61 967	57 639
Summa anläggningstillgångar		61 967	57 639

Omsättningstillgångar

Kortfristiga fordringar

Fordringar hos koncernföretag		5 447	5 447
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SUMMA TILLGÅNGAR

67 414 **63 086**

Balansräkning

TEUR

Not

2021-12-31

2020-12-31

EGET KAPITAL OCH SKULDER

Eget kapital

11

Bundet eget kapital

Aktiekapital

10

10

Reservfond

2

2

12

12

Fritt eget kapital

Balanserad vinst eller förlust

15 636

23 202

Årets resultat

18 000

10 434

33 636

33 636

Summa eget kapital

33 648

33 648

Kortfristiga skulder

Skulder till koncernföretag

33 766

29 438

SUMMA EGET KAPITAL OCH SKULDER

67 414

63 086

Rapport över förändringar i eget kapital

TEUR

	Aktie- kapital	Bundna reserver	Fritt eget kapital	Summa eget kapital
Ingående eget kapital 2020-01-01	10	2	32 203	32 215
Årets resultat			10 433	10 433
Utdelning			-9 000	-9 000
Utgående eget kapital 2020-12-31	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

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).

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 har löpt ut eller 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 netto redovisas 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 lagstadsats. 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

	2021	2020
Erhållna utdelningar	18 000	9 000
	18 000	9 000

Not 5 Ränteintäkter och liknande resultatposter

	2021	2020
Ränteintäkter från koncernföretag	2 435	2 343
Kursdifferenser	3 168	0
	5 603	2 343

Not 6 Räntekostnader och liknande resultatposter

	2021	2020
Räntekostnader	0	-262
Kursdifferenser	0	-3 596
	0	-3 858

Not 7 Bokslutsdispositioner

	2021	2020
Koncernbidrag	-5 603	1 335
	-5 603	1 335

Not 8 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	20 413	20 413
Utgående ackumulerade anskaffningsvärden	20 413	20 413
Utgående redovisat värde	20 413	20 413

Not 9 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	
				Eget kapital	Resultat
Attends Healthcare AB	556563-1867	Säte Aneby		35 239	10 146
Attends AB	556757-7258	Aneby		678	2

Not 10 Fordringar hos koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	37 226	39 500
Tillkommande fordringar	4 328	0
Avgående fordringar	0	-2 274
Utgående ackumulerade anskaffningsvärden	41 554	37 226
Utgående redovisat värde	41 554	37 226

Not 11 Antal aktier och kvotvärde

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

Not 12 Ställda säkerheter

	2021-12-31	2020-12-31
För skulder till kreditinstitut:		
Ställda säkerheter	0	0
	0	0

Not 13 Eventualförpliktelser

	2021-12-31	2020-12-31
Eventualförpliktelser	0	0
	0	0

Not 14 Väsentliga händelser efter räkenskapsårets slut

För räkenskapsåret 2022 är omvärldsförutsättningarna fortsatt osäkra till följd av Covid-19 pandemin samt av krigsutbrottet i Ukraina. Det är därför inte möjligt att fullt ut bedöma omfattningen av de direkta och indirekta effekter som detta kan leda till för koncernen. Styrelsens bedömning är dock i nuläget att koncernen inte kommer påverkas väsentligt av ovan.



Resultat- och balansräkningen kommer att föreläggas på årsstämma för fastställelse.

Aneby den dag som framgår av vår digitala underskrift

Mattias Wilner
Ordförande

Anna Södergren

Trevor Zieseniss

Revisorspåteckning

Vår revisionsberättelse har lämnats den dag som framgår av vår digitala underskrift

RSM Stockholm AB

Malin Lanneborn
Auktoriserad revisor

Verifikat

Transaktion 09222115557471761705

Dokument

ÅRAHHS

Huvuddokument

13 sidor

Startades 2022-06-20 09:39:56 CEST (+0200) av Malin

Lanneborn (ML)

Färdigställt 2022-06-20 12:51:55 CEST (+0200)

Signerande parter

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Namnet som returnerades från svenskt BankID var

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Anna Södergren (AS)

AHHS

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Namnet som returnerades från svenskt BankID var

"MATTIAS WILNER"

Signerade 2022-06-20 11:37:42 CEST (+0200)

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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 2021 till 31 december 2021.

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 2021 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 revisionsstandard 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 revisorsstandard 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.

Övrig upplysning

Revisionen av årsredovisningen för år 2020 har utförts av en annan revisor som lämnat en revisionsberättelse daterad 30 juni 2021 med omodifierade uttalanden i Rapport om årsredovisningen.

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 revisionsstandard 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 2021 till 31 december 2021 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 revisionsstandard i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet "Revisorns ansvar". Vi är oberoende i förhållande till Attends Healthcare Holdings AB enligt god revisorsstandard 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 revisionsstandard 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.

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RSM Stockholm AB

Malin Lanneborn
Auktoriserad revisor

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1 sida

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Lanneborn (ML)

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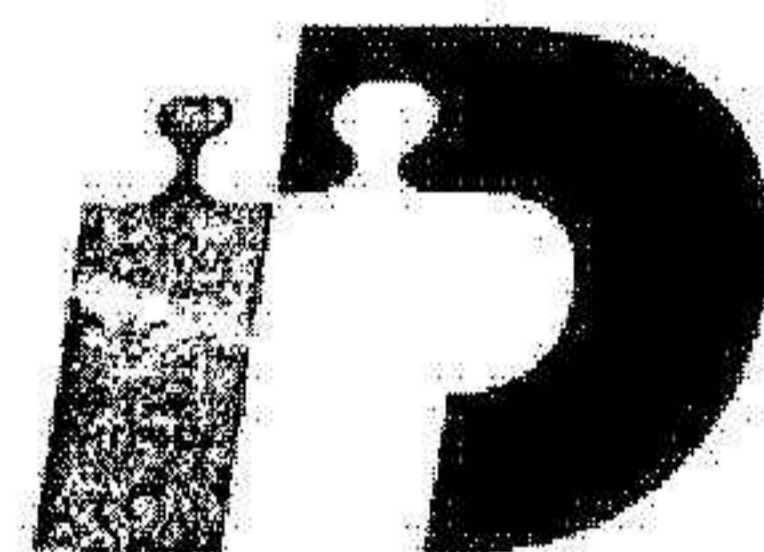
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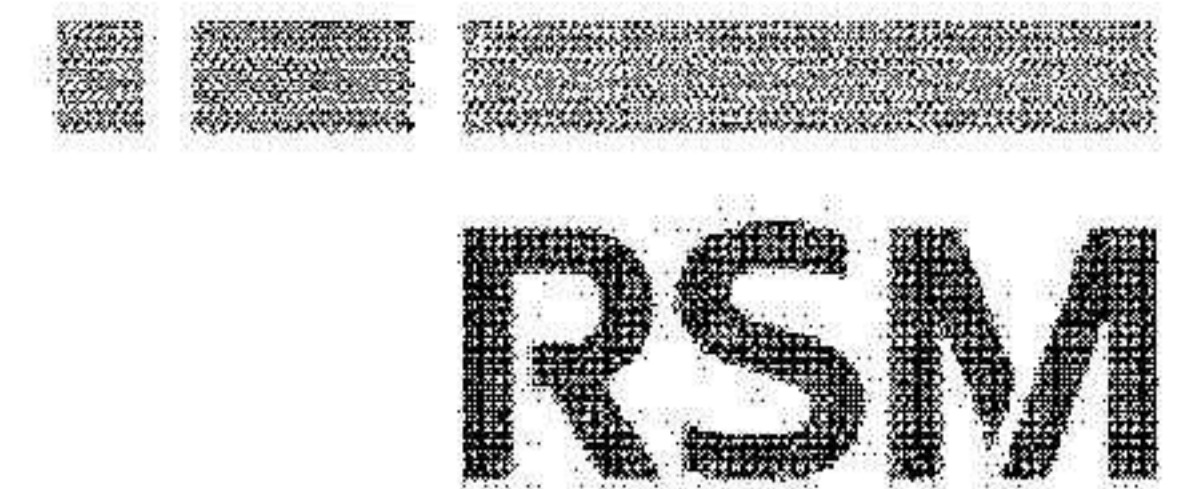


2021 Annual Report
of
AIPCF VII DPC Funding, LP and Subsidiaries

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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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 sheet as of December 31, 2021, the related consolidated statements of operations and comprehensive income (loss), equity and cash flows for the period from February 9, 2021 to 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, 2021, and the results of its operations and its cash flows for the period from February 9, 2021 to December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 audit. 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.

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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
October 11, 2022

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Period from February 9, through December 31, 2021
<i>(In millions of US dollars)</i>	
Sales	815.7
Operating expenses:	
Cost of sales	646.8
Depreciation and amortization	58.9
Selling, general and administrative	111.3
Transaction & acquisition costs	15.3
Other operating loss, net	1.5
	833.8
Operating income (loss)	(18.1)
Interest expense, net	30.0
	(48.1)
Earnings (loss) before income taxes	(48.1)
Income tax expense (benefit)	(7.1)
	(41.0)
Net earnings (loss)	(41.0)
Net (income) loss attributable to non-controlling interests	0.4
	(40.6)
Net income (loss) attributable to AIPCF VII DPC Funding, LP	(40.6)
Other comprehensive loss:	
Foreign currency translation adjustments	(32.9)
Change in unrecognized losses and prior service cost related to pension and post-retirement plans	(0.2)
	(33.1)
Other comprehensive income (loss)	(33.1)
Comprehensive income (loss)	(74.1)
Comprehensive (income) loss attributable to non-controlling interests	0.4
	(73.7)
Comprehensive income (loss) attributable to AIPCF VII DPC Funding, LP	(73.7)

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

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	<u>December 31,</u> <u>2021</u>
<i>(In millions of US dollars)</i>	
Assets	
Current assets	
Cash and cash equivalents	47.8
Receivables, net	108.4
Inventories, net	120.6
Prepaid expenses	6.7
Income and other taxes receivable	2.7
Total current assets	286.2
Property, plant and equipment, net	352.0
Operating lease right-of-use assets	20.7
Intangible assets, net	435.8
Other assets	0.3
Total assets	1,095.0
 Liabilities and member's equity	
Current liabilities	
Trade and other payables	137.3
Income and other taxes payable	7.4
Operating lease liabilities due within one year	7.9
Current maturities of long-term debt and other borrowings	25.2
Total current liabilities	177.8
Long-term debt and other borrowings, net	625.2
Operating lease liabilities	12.8
Deferred income taxes and other	61.5
Other liabilities and deferred credits	3.8
 Equity	
Limited partner's capital	239.3
Accumulated other comprehensive income (loss)	(33.1)
Total AIPCF VII DPC Funding, LP equity	206.2
Non-controlling interest	7.7
Total equity	213.9
Total liabilities and member's equity	1,095.0

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

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EQUITY

	Limited partner's capital	Accumulated other comprehensive income (loss)	Non- controlling interest	Total equity
<i>(In millions of US dollars)</i>				
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	(40.6)	0.0	(0.4)	(41.0)
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	0.0	(0.2)	0.0	(0.2)
Balances at December 31, 2021	239.3	(33.1)	7.7	213.9

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

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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, 2021, and the consolidated statements of operations and comprehensive income (loss) for 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 2021 financial statements reflect preliminary allocations of the purchase price.

The preparation of financial statements in conformity with U.S. 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).

For the period from February 9, through December 31, 2021 our ten largest customers represented approximately 47% of our sales. Two customers accounted for more than 10% of our consolidated revenues, as shown in the table below.

	Period from February 9, through December 31, 2021
<i>(As a % of total sales)</i>	
Customer A	12%
Customer B	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).

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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.

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.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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 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.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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 the term loan approximated book value on December 31, 2021. The fair value of our long-term debt was estimated based upon open-market trades at or near year end.

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 American Industrial Partners (“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:

	Amount
<i>(In millions of US dollars)</i>	
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

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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
<i>(In millions of US dollars)</i>	
Source of funds:	
Borrowings under the term loan facility	650.0
Proceeds from the issuance of members' 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:

	<u>December 31, 2021</u>
<i>(In millions of US dollars)</i>	
Raw materials	37.9
Work in process	0.8
Finished goods	60.6
Spare parts	21.3
Inventories, net	<u>120.6</u>

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

NOTE 6.

Property, Plant and Equipment

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

	<u>December 31, 2021</u>
<i>(In millions of US dollars)</i>	
Machinery and equipment	291.8
Buildings and improvements	86.8
Assets under construction	16.3
Property, plant and equipment, gross	394.9
Less: Accumulated depreciation	(42.9)
Property, plant and equipment, net	<u>352.0</u>

Depreciation expense related to property, plant and equipment was \$44.7 million for the period from February 9, through December 31, 2021.

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:

	Period from February 9, through December 31, 2021
<i>(In millions of US dollars)</i>	
Operating lease expense	7.6
Finance lease expense:	
Amortization of right-of-use assets	0.2
Interest on lease liabilities	0.0
Total finance lease expense	0.2

Supplemental cash flow information related to leases was as follows:

	Period from February 9, through December 31, 2021
<i>(In millions of US dollars)</i>	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	8.2
Operating cash flows from finance leases	0.1
Financing cash flows from financing leases	0.2
Right-of-use assets obtained in exchange for lease liabilities:	
Operating leases	12.7

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Supplemental balance sheet information related to leases was as follows:

	<u>December 31, 2021</u>
<i>(In millions of US dollars)</i>	
Operating Leases	
Operating leases right-of-use assets	20.7
	<hr/>
Lease liabilities due within one year	(7.9)
Operating lease liabilities	(12.8)
	<hr/>
	(20.7)
	<hr/>
Finance leases	
Property, plant and equipment	5.6
Accumulated depreciation	(4.9)
	<hr/>
	0.7
	<hr/>
	(0.7)
	<hr/>
Weighted-average remaining lease term:	
Operating leases	3.6 years
Finance leases	3.0 years
Weighted-average discount rate:	
Operating leases	4.2%
Finance leases	4.0%

Maturities of lease liabilities at December 31, 2021 were as follows:

	<u>Operating leases</u>	<u>Finance leases</u>
<i>(In millions of US dollars)</i>		
2022	8.0	0.3
2023	5.6	0.3
2024	3.2	0.2
2025	2.9	0.0
2026	2.4	0.0
Thereafter	0.2	0.0
	<hr/>	<hr/>
Total lease payments	22.3	0.8
	<hr/>	<hr/>
Less: Imputed interest	1.6	0.1
	<hr/>	<hr/>
Total lease liabilities	20.7	0.7
	<hr/>	<hr/>

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTE 8.

Goodwill and Other Intangibles, Net

The following table presents the components of other intangible assets:

	December 31, 2021		
	Cost	Accumulated Amortization	Net
<i>(In millions of US dollars)</i>			
Trademarks	108.3	(3.6)	104.7
Customer relationship	138.0	(8.5)	129.5
Developed technology	9.7	(1.5)	8.2
Other intangibles, net	256.0	(13.6)	242.4
Goodwill	193.4	0.0	193.4
Goodwill and other intangibles, net	449.4	(13.6)	435.8

Amortization expense related to long-lived intangibles was \$14.1 million for the period from February 9, through December 31, 2021.

The estimated future amortization of intangible assets as of December 31, 2021 is as follows:

	Amount
<i>(In millions of US dollars)</i>	
2022	16.3
2023	16.3
2024	15.1
2025	14.9
2026	14.4
Thereafter	165.4
Total	242.4

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

The changes in goodwill balances for the period from February 9, through December 31, 2021 were as follows:

<i>(In millions of US dollars)</i>	Amount
Goodwill additions at inception	196.9
Foreign currency translation	(3.5)
Successor Balances at December 31, 2021	193.4

The changes in other intangible balances for the period from February 9, through December 31, 2021 were as follows:

<i>(In millions of US dollars)</i>	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)
Successor Balances at December 31, 2021	256.0	(13.6)	242.4

NOTE 9.

Trade and Other Payables

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

<i>(In millions of US dollars)</i>	December 31, 2021
Trade payables	96.4
Accrued liabilities	18.3
Salaries and payroll payable	13.1
Sales-related provisions	7.8
Payables on capital projects	1.5
Closure and restructuring costs liability	0.2
Other	0.0
Trade and other payables	137.3

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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 \$120.0 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.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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 were \$6.5 million and \$15.0 million as of December 31, 2021, due full payment or extension on January 2022 and February 2022, respectively.

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, 2021.

The Company was in compliance with all financial covenants as of December 31, 2021.

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

	Rates as of December 31, 2021	December 31, 2021
<i>(In millions of US dollars)</i>		
Revolving credit line	1.85%	6.5
Revolving credit line	1.89%	15.0
Term loan	5.00%	646.8
Other borrowings		1.0
Total debt and other borrowings		669.3
Current maturities		25.2
Total long-term debt and other borrowings		644.1
Unamortized debt discount		(18.9)
Total long-term debt and other borrowings, net		625.2

The following table presents the maturities of our long-term debt and other borrowings, net as of December 31, 2021:

	Revolving credit line	Term loan	Other borrowings	Total repayments
<i>(In millions of US dollars)</i>				
2022	21.5	6.5	0.3	28.3
2023	0.0	6.5	0.3	6.8
2024	0.0	6.5	0.3	6.8
2025	0.0	6.5	0.1	6.6
2026	0.0	6.5	0.0	6.5
2027	0.0	6.5	0.0	6.5
2028	0.0	607.8	0.0	607.8
Total debt maturities	21.5	646.8	1.0	669.3

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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 \$2.6 million for the period from February 9, through December 31, 2021.

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, 2021:

	December 31, 2021
<i>(In millions of US dollars)</i>	
Projected benefit obligation at acquisition date ⁽¹⁾	13.6
Service cost for the period	0.0
Interest expense	0.1
Actuarial loss (gain)	0.3
Benefits paid	(0.2)
Expenses paid	0.0
Settlement	0.0
Impact of acquisitions	0.0
Effect of foreign currency exchange rate change	(0.8)
Projected benefit obligation at end of year	13.0

⁽¹⁾ Acquired on March 1, 2021.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

Change in Fair Value of Assets

The following table represents the change in fair value of assets for the period from February 9, through December 31, 2021, reflecting the actual return on plans assets, the contributions and the benefits paid for the year:

	December 31, 2021
<i>(In millions of US dollars)</i>	
Fair value of assets at acquisition date ⁽¹⁾	9.7
Actual return on plan assets	0.5
Employer contributions	0.1
Benefits paid	(0.3)
Expenses paid	0.0
Settlement	0.0
Effect of foreign currency exchange rate change	(0.6)
Fair value of assets at end of year	9.4

⁽¹⁾ Acquired on March 1, 2021.

Reconciliation of Funded Status to Amounts Recognized in the Consolidated Balance Sheet

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.

	December 31, 2021
<i>(In millions of US dollars)</i>	
Projected benefit obligation at end of year	(13.0)
Fair value of assets at end of year	9.4
Deficit	(3.6)

	December 31, 2021
<i>(In millions of US dollars)</i>	
Other liabilities and deferred credits	3.6
Net amount recognized in the Consolidated Balance Sheet	3.6

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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

	Period from February 9, through December 31, 2021
<i>(In millions of US dollars)</i>	
Net (loss) gain	(0.1)
Amortization of net actuarial loss	0.0
Net amount recognized in other comprehensive (loss) income (pre- tax)	(0.1)

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

	Period from February 9, through December 31, 2021
<i>(In millions of US dollars)</i>	
Service cost for the period	0.0
Interest expense	0.1
Expected return on plan assets	(0.2)
Amortization of net actuarial loss	0.0
Net periodic benefit cost	(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, 2021
Projected benefit obligation	
Discount rate	1.2%
Rate of compensation increase	2.9%
Net periodic benefit cost	
Discount rate	1.2%
Rate of compensation increase	2.8%
Expected long-term rate of return on plan assets	2.4%

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

Fair Value Measurement

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)
<i>(In millions of US dollars)</i>				
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, 2021 are as follows:

	Amount
<i>(In millions of US dollars)</i>	
2022	0.3
2023	0.3
2024	2.3
2025	0.4
2026	0.6
2027-2031	2.0

NOTE 12.

Other Liabilities and Deferred Credits

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

	December 31, 2021
<i>(In millions of US dollars)</i>	
Pension liability - defined benefit pension plans	3.6
Pension liability - supplemental executive retirement plan	0.0
Compensation related	0.0
Deferred credits	0.2
Other Liabilities and Deferred Credits	3.8

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTE 13.

Income Taxes

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

	Period from February 9, through December 31, 2021
<i>(In millions of US dollars)</i>	
U.S.	(43.4)
Foreign	(4.7)
Earnings (loss) before income taxes	(48.1)

Provisions for income taxes include the following:

	Period from February 9, through December 31, 2021
<i>(In millions of US dollars)</i>	
U.S. Federal and State:	
Current	0.0
Deferred	(9.1)
Foreign:	
Current	6.7
Deferred	(4.7)
Income tax expense (benefit)	(7.1)

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

The Company's provision 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:

	Period from February 9, through December 31, 2021
<i>(In millions of US dollars)</i>	
Statutory income tax	(9.1)
Reconciling Items:	
State and local income taxes, net of federal income tax benefit	(1.0)
Foreign income tax rate differential	(2.5)
Tax credits and special deductions	0.0
Rate Benefit from Loss Carryback	0.0
Uncertain tax positions	1.0
Valuation allowance on deferred tax assets	9.9
Nondeductible expenses	(5.9)
Other	0.5
Income tax expense (benefit)	<u>(7.1)</u>

Deferred Tax Assets and Liabilities

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

	December 31, 2021
<i>(In millions of US dollars)</i>	
Accounting provisions	1.7
Net operating loss carryforwards	19.6
Interest expense	28.7
Tax credits	0.6
Lease liability	1.9
Other	1.0
Gross deferred tax assets	53.5
Valuation allowance	(14.3)
Net deferred tax assets	39.2
Property, plant and equipment	42.0
Intangible assets	45.4
Latent gain	7.0
Right of use assets	1.6
Other	1.7
Total deferred tax liabilities	97.7
Net deferred tax liabilities	<u>58.5</u>

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

At December 31, 2021, the Company has \$14.5 million of federal net operating loss carry forwards which are carried forward indefinitely, and \$66.5 million state net operating loss carryforwards which will begin to expire in 2025. The Company also has foreign net operating losses of \$65.0 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 \$14.3 million as of December 31, 2021. The increase in valuation allowance primarily relates to net operating losses generated in 2021, 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, 2021, the Company had gross unrecognized tax benefits of approximately \$2.8 million. If recognized in 2022, these tax benefits would favorably impact the effective tax rate.

	December 31, 2021
<i>(In millions of US dollars)</i>	
Balance at acquisition date ⁽¹⁾	1.8
Additions based on tax positions related to current period	1.0
Balance at end of year	2.8

⁽¹⁾ Acquired on March 1, 2021.

The Company recorded no accrued interest associated with unrecognized tax benefits for the period from February 9, through December 31, 2021. 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 2021, 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, 2021, the Company is subject to foreign, federal and state income tax examinations for the tax years 2017 through 2021. The Company does not anticipate that adjustments stemming from these audits would result in a significant change to the results of its operations and financial condition.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

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:

	Pension Plans	Foreign Currency Translation	Total
<i>(In millions of US dollars)</i>			
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)

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, 2021, 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, 2021.

NOTE 16.

Related Party Transactions

During the period from February 9, through December 31, 2021, the Company reimbursed its equity holder for expenses in the amount of \$1.3 million.

AIPCF VII DPC FUNDING, LP AND SUBSIDIARIES

NOTE 17.

Subsequent Events

In February 2022, in response to the military conflict between Russia and Ukraine, the United States, other North Atlantic Treaty Organization member states, as well as non-member states, have announced targeted economic sanctions on Russia, certain Russian citizens and enterprises. The continuation of the conflict may trigger a series of additional economic and other sanctions enacted by the United States, other North Atlantic Treaty Organization member states, and other countries. The potential impact of bans, sanction programs, and boycotts on our business is uncertain at the current time due to the fluid nature of the military conflict as it is unfolding. The potential impacts include supply chain and logistics disruptions, volatility in foreign exchange rates and interest rates, inflationary pressures on raw materials and energy, heightened cybersecurity threats and other restrictions.

The Company does not maintain operations in Russia and Ukraine, sales to customers in these countries are immaterial. As of the date of issuance of this Annual Report, the impact of the military conflict between Russia and Ukraine has not had a significant impact on global operations. The Company continues to monitor the potential impacts on the business and the ancillary impacts that the war could have on other global operations.

The Company has evaluated subsequent events through October 11, 2022, the date on which the financial statements were available to be issued, and determined that there have been no additional subsequent events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.