

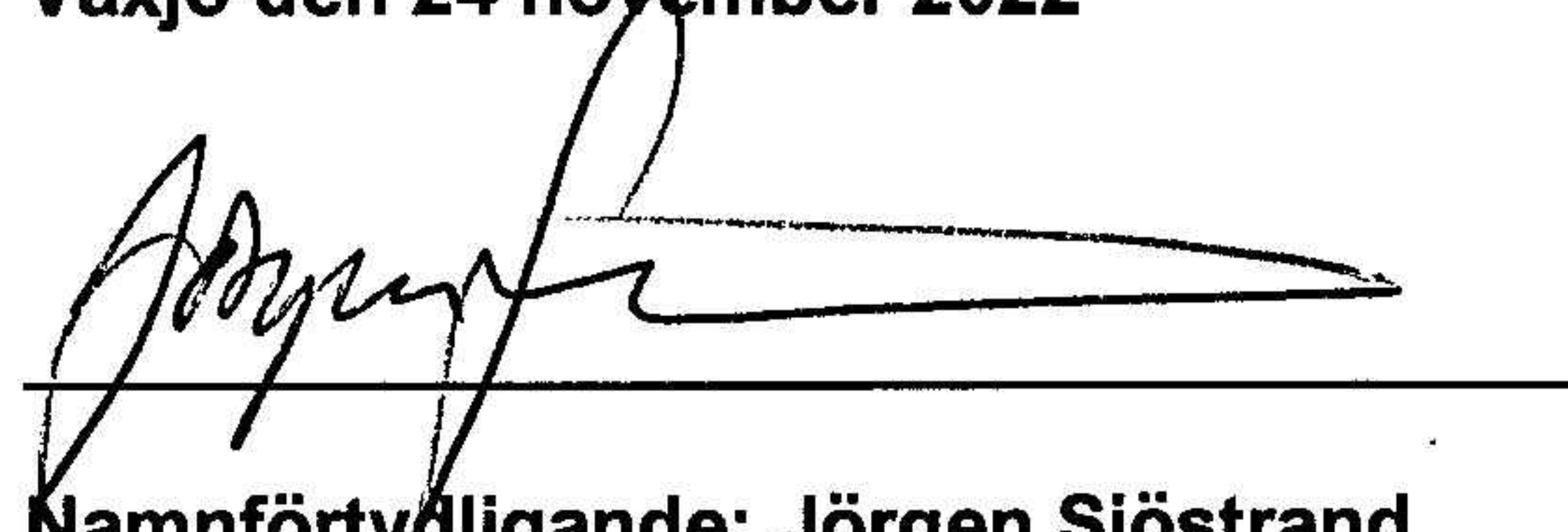
# Gunnebo Industrier AB

## Årsredovisning 2021

Undertecknad styrelseledamot i Gunnebo Industrier AB intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den 23 november 2022.

Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Växjö den 24 november 2022



Namnförtydligande: Jörgen Sjöstrand

Styrelsen och verkställande direktören för Gunnebo Industrier AB (556324-9183) ("Bolaget"), får härmed avge årsredovisning för räkenskapsåret 2021. Beloppen anges i Tkr om inte annat sägs. Belopp inom parentes avser föregående år.

## Förvaltningsberättelse

Bolaget är ett dotterbolag till Gunnebo Industrier Group AB (556025-8625), som i sin tur är dotterbolag till Gunnebo Industrier Holding AB (556759-4741). Koncernredovisning, där Gunnebo Industrier AB ingår i, för 2021 upprättas av Ascend Investment S.à.r.l. Limited Liability Company, (Société à responsabilité), organisationsnummer B181601, med adress 2 rue Edward Steichen, L2540, Luxemburg.

Griffon Acquisition AB är det bolaget inom Crosby-koncernen som förvärvade Gunnebo Industrier Holding AB under 2019.

Gunnebo Industrier AB är moderbolag i en koncern som består av dotterbolag med verksamheter som omfattar utveckling, tillverkning, handel och marknadsföring av kätting- och lyftkomponenter.

Gunnebo Industrier AB är en av de ledande aktörerna inom produktutveckling, tillverkning och marknadsföring och försäljning av kompletta system för kätting- och lyftkomponenter.

### Nettoomsättning och resultat

Nettoomsättningen 2021 uppgick till 571 MSEK (527). Rörelseresultatet uppgick till 58 MSEK (42) varav kostnader för strukturförändringar inklusive integrationskostnader med Crosby var -2 MSEK (-17). Finansiella intäkter och kostnader uppgår till 7 MSEK (-20) varav 0 MSEK (0) är hänförliga till resultat från andelar i koncernföretag. Huvuddelen av årets finansiella intäkter hänför sig till ränteintäkter från koncernbolag och kursdifferenser på långfristiga koncernfordringar. Huvuddelen av övriga finansiella intäkter/kostnader hänför sig till kursdifferenser på långfristiga koncernfordringar som varierar mellan åren beroende på växelkursernas utveckling.

### Investeringar

Bolagets investeringar i anläggningstillgångar var 7 MSEK (8). Investeringarna motsvarar 61 % (76) av avskrivningsnivån och består huvudsakligen av ersättnings- och nyinvesteringar i fabriker.

### Likviditet och finansiell ställning

Gunnebo Industrier AB's och dess dotterbolags likviditet har försämrats under 2021 beroende på att den högre marknadsaktiviteten krävt ett större rörelsekapital, ett större förvärv i Spanien av Airpes S.L., ett lån till Gunnebo Industries Pty i Australien för förvärv av en minoritetsandel Verton Technologies Australia Pty Ltd.

### Medarbetare

Genomsnittligt antal medarbetare i Bolaget har under året varit 272 personer (261) varav 47 kvinnor (40).

### Miljöpåverkan

Bolaget bedriver verksamhet på orterna Gunnebo, Göteborg och Växjö. Anläggningen i Gunnebo är tillståndspliktig enligt Miljöbalken och är klassificerad som B-anläggning. Anläggningen i Växjö är klassificerad som en C-anläggning och är därför anmälningspliktig till kommunen. Övriga anläggningar är inte tillstånds- eller anmälningspliktiga. Den tillståndspliktiga verksamheten i Gunnebo verkar inom ett

enskilt tillstånd. I enlighet med tillståndet tillåts tillverkning och vidareförädling av kätting. I verksamheten sker utsläpp till luft från varmförzinkningsanläggning samt påverkan på omgivningen genom buller. Förorenad luft från varmförzinkningsanläggning renas i ett spärrfilter. Den tillståndspliktiga verksamheten motsvarar ca 25 % av Bolagets nettoomsättning. Kontroll av utsläpp till luft och buller sker i enlighet med gällande kontrollprogram. Tillstånden gäller tills vidare. Bolaget är även certifierat enligt ISO 14001:2015.

#### **Riskhantering**

Gunnebo Industrier och dess dotterbolag är, som internationellt verksamt, exponerad för en rad risker i form av finansiella risker, omvärldsrisker och verksamhetsrelaterade risker. För mer information om de risker som Bolaget är exponerat för, se not 34.

#### **Aktieägare**

Gunnebo Industrier Group AB, org nr 556025-8625, äger 100 % av bolagets aktier.

#### **Väsentliga händelser under räkenskapsåret**

Verksamheten i sin helhet har under året haft en positiv utveckling med högre efterfrågan på flera marknader. Under året har kostnaderna stål och elektricitet stigit markant. Omsättningen ökade med 44 Mkr. Bruttomarginalen uppgick under året till 24,2 % (28,0).

Gunnebo Industrier AB har under februari månad genom dotterbolaget i Australien förvärvat en minoritetsandel i det australiska bolaget Verton Technologies Australia Pty Ltd, för en köpeskilling om 37 miljoner kronor för knappt 33% av samtliga aktier i bolaget. Bolaget tillverkar lyftutrustning för bland annat vindkraftsindustrin baserat på egen teknologi.

Gunnebo Industrier AB har under november månad förvärvat samtliga aktier i det spanska bolaget Airpes S.L, för en köpeskilling om 127 miljoner kronor. Bolaget tillverkar olika lyftutrustningar för industriell användning bland annat inom vindkraftsindustrin.

Covid-19 är en händelse som påverkat samhället, kunder, leverantörer och företagets verksamhet. Företagets verksamhet har varit påverkat under året via kunders möjligheter att bedriva verksamhet. Anställdas frånvaro har varierat under perioden och påverkat verksamheten.

Utvecklingen för Gunnebo Industrier AB in på 2022 är fortsatt positiv. Kostnadsutvecklingen är besvärlig inom många områden samtidigt som bristsituationer regelbundet uppstår. Sjukfrånvaron varierar beroende på hur hårt olika covid-19 vågor drabbar de regioner där vi har verksamhet.

#### **Väsentlig händelse efter räkenskapsåret**

Rysslands krig mot Ukraina och dom sanktioner som har utfärdats påverkar bolagets resultat negativt. De sanktionerade marknaderna är mycket små för bolaget och påverkan på resultatet är mycket begränsad. Utvecklingen för stål- och energipriser, som började stiga under hösten, kommer att påverka något negativt. Detta eftersom bolagets prishöjningar till kunder inte går att genomföra i samma takt som höjningen på stål och energi.

Gunnebo Industrier AB har i april 2022 betalat en tilläggsköpeskilling på 26 miljoner kronor för aktierna i Airpes S.L, inga ytterligare betalningar förväntas.

## Hållbarhetsrapport

### Affärsmodell

Bolagets affärsidé är att tillverka samt sälja högkvalitativa produkter som primärt används vid tunga lyft men även inom fiskeri och inom fiskodlingsnäringen. Bolaget tillverkar produkter som används under krankroken, d.v.s. masteröglan, kätting, kopplingslänkar samt krokar. Produktionen av dessa produkter sker vid bolagets fabriker i Växjö och Gunnebo. Försäljningen sker i huvudsak till s.k. sling-shops som är distributörer som kundanpassar produkterna till slutkunden. Försäljning av vissa produkter görs dock direkt till slutkund. Bolaget säljer även till sina dotterbolag/systerbolag i form av säljbolag i ett 10-tal länder samt partners som täcker övriga relevanta marknader runt om i världen.

Bolaget har en helt integrerad produktionsmodell vilket innebär att råmaterial köps in och att vidareförädlingen till färdiga produkter görs in-house för att säkerställa högsta tänkbara kvalitet. Då bolagets produkter tillverkas av stål blir därför just stål en viktig insatsvara.

Vidare så sker transporter av inköpta varor samt utflödet av färdiga varor via lastbil, båt och i vissa fall via flygfrakt.

### Uppförandekod

Bolaget ställer höga krav på såväl sina medarbetare som sina externa intressenter vad gäller etik och moral och har därför valt att implementera en uppförandekod som sätter upp riktlinjerna för hur medarbetare ska agera internt inom bolaget, gentemot externa intressenter samt hur bolaget förväntar sig att dess intressenter agerar gentemot bolaget och deras intressenter. Denna uppförandekod grundar sig på de 10 principerna i FN:s Global Compact och fokuserar på viktiga frågor avseende miljö, anti-korruption, mänskliga rättigheter och arbetskraft. Uppförandekoden har kommunicerats ut till samtliga medarbetare och information om denna inkluderas i processen när nya medarbetare anställs i bolaget.

### Löpande rapportering

Bolaget har en s.k. visseblåsfunktion som ger samtliga anställda i bolaget möjlighet att på ett enkelt sätt rapportera eventuella missförhållanden till ledningen för vidare utredning.

### EHS Strategi och plan

Inom koncernen har man under 2021 tagit fram en övergripande EHS (Environment, Health and Safety) strategidokument: *EHS Strategy and Plan*. Dokumentet utgör en tydlig riktning och strategi för de närmaste åren, med en tydlig målbild vad vi vill jobba med och vad som ska uppnås inom miljö, hållbarhet och säkerhet och arbetsmiljö.

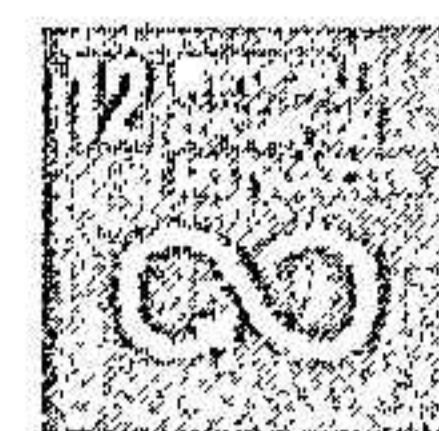
Det är sedan respektive enhets ansvar att integrera den lokala riskbedömningen med EHS strategin och planen och justera mål och aktiviteter utifrån verksamhetens behov. Enheterna har påbörjat implementering och en fullständig implementering av EHS Strategy and Plan kommer att fullgöras under 2022.

## Miljö och hållbarhet

### Övergripande miljö- och hållbarhetsarbete

Gunnebo Industrier påverkar, både positivt och negativt, miljön genom hela värdekedjan från val av råvara och energianvändning, inköp av varor och tjänster, produktion till distribution och slutanvändning. Genom att identifiera miljöaspekter och miljörisker med verksamheten kan vi minska vår negativa miljöpåverkan. Arbetet med miljö och hållbarhet bygger på identifiering av verksamhetens risker, men också på inriktningen i Agenda 2030 och FN:s Globala hållbarhetsmål ur ett "Protect the Planet"-perspektiv.

De 17 Globala Hållbarhetsmålen antogs av alla FN:s medlemsländer 2015, som en del av Agenda 2030 för en hållbar utveckling, och vår strategi, våra indikatorer och aktiviteter inom miljö har framför allt koppling till FN:s mål för hållbar utveckling nummer: 6, 7, 12 och 13.



Gunnebo Industrier jobbar strukturerat och målorienterat med miljö- och hållbarhetsfrågorna, men har också valt att certifiera sig enligt miljöledningsstandarden ISO 14 001:2015. Certifiering innebär att det ställs höga krav på systematiskt arbete, efterlevnad av lagar och andra miljökrav samt att verksamhetens arbete med ständiga förbättringar inom miljö och hållbarhet årligen granskas av extern, oberoende part.

### **Miljöpolicy inom Gunnebo Industrier AB**

Gunnebo Industrier AB har ett gemensamt ISO 14 001 certifikat och har således en gemensam miljöpolicy:

*Verksamheten i Gunnebo Industrier AB skall präglas av en helhetssyn där miljöhänsyn är en viktig del. Vi ska i det dagliga arbetet värna om god hälsa, sträva efter att minimera miljöpåverkan från verksamheten och hushålla med resurser. Detta innebär:*

*Driva vår verksamhet på ett miljövänligt sätt genom att tillämpa miljöledningssystem i vår verksamhet och genom att tillämpa miljöprinciper, såsom åtagande om ständig förbättring, användning av försiktighetsprincipen, förebyggande av föroreningar och öka miljömedvetenhet genom utbildning av anställda.*

*Bedriva vårt miljöarbete med en hög målsättning, där kraven som lagstiftning och myndigheter ställer på oss är minimikrav.*

*Kontinuerligt verka för förbättrat resursutnyttjande och minskad användning av farliga ämnen genom att noga beakta miljöfrågor vid utveckling av nya produkter, inköp och tillverkning.*

### **Miljöaspekter och miljörisker**

Bolaget ser årligen över och utvärderar sina miljörisker och miljöaspekter. De aktiviteter inom bolaget som kan ha betydande potentiell påverkan på klimat och miljö är:

- Transporter
- Utsläpp till luft
- Avfallshantering
- Användning av råvara
- Elförbrukning
- Användning och hantering av kemikalier

Miljöaspekterna och miljöriskerna är sedan kopplade till de nya miljö- och hållbarhetsmålen som tagits fram i EHS Strategy and Plan.

### **Miljö- och hållbarhetsmål**

Miljö- och hållbarhetsmålen utgår från EHS Strategy and Plan och anpassas sedan till den lokala enhetens förutsättningar utifrån aspekter och risker. Inriktningen är dock densamma för alla enheter inom Gunnebo Industrier AB och vår verksamhet ska ha så liten negativ miljöpåverkan på den yttre miljön som möjligt, med noll miljöolyckor.

För att uppnå detta arbetar vi på ett systematiskt och strukturerat sätt med hållbarhet. Vi utreder, bedömer, vidtar åtgärder och kontrollerar våra miljörisker och påverkan på vår omgivning. Vi arbetar också med att minska vår förbrukning av resurser som kemikalier, vatten och energi samt att vi kommer att följa våra GHG (Green House Gases) utsläpp enligt Scope 1,2 och 3 i The GHG Protocol samt att förbättra vår avfallshantering så att vi kan nå noll avfall till deponi.

Vi har också identifierat indikatorer för att mäta våra prestationer och förbättringar inom miljö och hållbarhet:

- Noll miljöolyckor.
- Antalet farliga (klassade) kemikalier minskar.
- Resursanvändning/producerat ton minskar.
- Noll avfall till deponi och ökad materialåtervinning.
- Utsläppen av växthusgaser (GHG) minskar.

### Resultat 2021

Energiförbrukningen är 100% fossilfri i Gunnebo Industrier AB, elförbrukningen är till 54% från vattenkraft och uppvärmning sker med biokraft i Växjö och Gunnebo.

Den totala energiförbrukningen inom Gunnebo Industrier AB har ökat, men samtidigt har även produktionen ökat. Framöver kommer man framför allt i Gunnebo och Växjö följa energiförbrukningen per producerat antal ton.

Under 2021 har man även fokuserat mycket på kemikaliehantering genom att utbilda medarbetare, förbättra förvaring och jobba med att substituera och även plocka bort kemikalier. Man har under 2021 inom Gunnebo Industrier AB minskat antalet klassade kemikalier med 16%.

I Växjö och Gunnebo har man under året också uppdaterat sin energikartläggning och tagit fram en energireducerings/effektiviseringsplan.

Övriga resultat kopplat till miljö och hållbarhet återfinns i indikatorerna nedan:

Indikatorer	2020	2021	Mål 2022
Miljöolyckor	0	0	0
Antal farliga (klassade) kemikalier	159	134 (-16%)	-10%
Energikonsumtion (MWh) / producerade ton		2,16	-5%
Vattenkonsumtion (m3) / producerade ton		påbörja	
Avfall till deponi		4%	-5%
Materialåtervinning		90%	bibehålla
Utsläpp av GHG (Scope 1 och 2)			påbörja

Anläggningen i Gunnebo har haft två miljöincidenter. Två stoftutsläpp från pulverlackeringen som man valt att rapportera till Tillsynsmyndigheten, eftersom gränsvärdet på 5 mg/m<sup>3</sup> momentant överskreds. Utsläppet skedde endast under kort period och innebar ingen spridning utanför anläggningen eller påverkan på människors hälsa eller miljö. Anledning till överskridandet berodde på obalans i systemet på grund av slitna maskindelar.

### Anti-korruption

Bolaget är verksamt i länder med olika lokala kulturer avseende affärsmässighet vilket kan ge upphov till korruption av olika slag. Antingen via våra dotterbolag eller som kund och leverantör. På flera av dessa marknader finns risk för korruption. Bolaget är medveten om denna risk och tar avstånd från all form av korruption som kan skada enskilda individer samt kunder, leverantörer, anställda och andra intressenter. Bolaget jobbar aktivt och systematiskt med att minska risker kopplat till korruption. Detta gör företaget

via ett aktivt arbete vid utvärdering av våra partners samt utbildning, policys, uppförandekod samt bolagets visselblåsarfunktion.

### **Mänskliga rättigheter**

Bolaget tar avstånd från all form av direkt eller indirekt kränkning av mänskliga rättigheter som kan skada egna anställda samt enskilda individer hos kunder, leverantörer och andra intressenter. Bolaget är verksamt i länder med olika lokala kulturer och lagstiftning avseende detta och på flera av dessa finns risk för kränkningar. Bolaget är medveten om denna risk och tar avstånd från all form av kränkning av de mänskliga rättigheterna. Bolaget jobbar aktivt och systematiskt med att minska risker kopplat till detta via ett aktivt arbete vid utvärdering av våra partners samt utbildning, policys, uppförandekod samt bolagets visselblåsarfunktion.

### **Sociala Förhållanden**

Företaget samverkar med kommuner, gymnasieskolor, högskolor/universitet inom de geografiska områden där företaget är placerat.

Exempel på områden där samverkan sker:

På fabrikerna i Växjö och Gunnebo har vi praktikanter både från kommunala och privata gymnasieskolor, framför allt inom tekniska ämnen kopplat till produktionen, såsom cnc, el/automation, industriteknik mm.

Studenter från Linnéuniversitetet har genomfört examensarbete inom produktionsteknik, lean och produktionslogistik.

Vi deltar aktivt i olika nätverksgrupper inom Växjö och Västerviks kommun.

### **Personal**

Bolaget följer tillämplig lokal lagstiftning avseende bland annat arbetstagares rättigheter gällande rätten till fackligt medlemskap samt är medlem hos Industriarbetsgivarna och har kollektivavtal. Bolaget uppmuntrar även mångfald vid rekrytering av nya medarbetare. Vidare har bolaget nolltolerans mot alla former av trakasserier och diskriminering.

### **Arbetsmiljö- och säkerhetsarbete**

#### **Övergripande arbetsmiljö- och säkerhetsarbete**

Arbetsmiljö och säkerhet är företagets högsta prioritet och vi jobbar ständigt med att förebygga risker och utveckla vår arbetsmiljö. Arbetsmiljö och säkerhet är en integrerad del i vårt ledningssystem och våra skyddsombud är delaktiga i vårt systematiska arbetsmiljöarbete. Inriktningen för arbetet med personsäkerhet och arbetsmiljö grundar sig på riskbedömningar, inträffade tillbud, skyddsronder, mätningar och arbetsplatsbedömningar. Vår EHS Strategy and Plan innefattar också vårt långsiktiga arbete med personsäkerhet där vi jobbar i linje med Bradley-kurvans principer för säkerhetskulturutveckling.

#### **Arbetsmiljörisker**

Bolaget jobbar kontinuerligt med att identifiera, förebygga, reducera och eliminera risker i verksamheten och de risker som är prioriterade att jobba med för att undvika personskador är följande:

- Trafik- och truckrisker
- Maskinrelaterade risker och risker vid arbete med maskiner
- Belastningsergonomiska risker

### Arbetsmiljö- och säkerhetsmål

Arbetsmiljö- och säkerhetsmålen utgår från EHS Strategy och Plan och anpassas sedan till den lokala enhetens förutsättningar och riskbedömningar. Inriktningen är dock densamma för alla enheter inom Gunnebo Industrier AB och säkerhet är först på agendan, alla våra anläggningar har en säker arbetsmiljö med noll arbetsskador med sjukfrånvaro.

För att uppnå detta arbetar vi på ett systematiskt och strukturerat sätt med hälsa och säkerhet. Vi utreder, bedömer, vidtar åtgärder och kontrollerar arbetsmiljön, vilket inkluderar men inte är begränsade till olyckor, tillbud, risker, arbetsuppgifter, arbetsplatser, maskiner och utrustning. Vi jobbar med vår säkerhetskultur genom att implementera proaktiva arbetssätt och verktyg.

Följande indikatorer har identifierat som viktiga för att mäta våra förbättringar:

- Noll arbetsskador med sjukskrivning
- Hög grad av avslutade H&S-avvikelser
- Våra ledande indikationer förbättras
  - \*Riskobservationer/Säkerhetsmöjligheter
  - \*Safety Awareness Talk /Beteendebaserade revisioner
  - \*Säkerhetskontroller/ Sista-minuten-riskbedömning (LMRA)
  - \*Skyddsronder

### Resultat 2021

Under 2021 har man gjort insatser vad gäller trafiksäkerhet, ergonomi men också maskinsäkerhet samt utbildning i explosionsklassade områden. Man har också ökat fokus på Safety Awareness Talks/ Beteendebaserad säkerhet.

Övriga resultat kopplat till säkerhet och arbetsmiljö följer i tabell nedan:

Indikatorer	2020	2021	Mål 2022
TRIR (12R)*	3,5	0,8	< 1,5
DART rate (12R)*	påbörja	34	0
Antal personskador med ordinerad sjukskrivning	17	1	0
% avslutade H&S avvikelser (12R)		påbörja	70%
Antal rapporterade risker per anställd			påbörja
Antal Safety Awareness Talk per anställd	påbörja	7	> 35
Antal skyddsronder per chef		påbörja	> 4
Antal sista-minuten-riskbedömningar per anställd			påbörja

\*TRIR och DART-rate mäts och följs i hela Crosby-koncernen.

TRIR (Total Recordable Injury Rate) är antal arbetsplatsolyckor som resulterar i sjukfrånvaro, medicinsk behandling eller begränsningar i att utföra ordinarie arbetsuppgifter per 200 000 arbetade timmar.

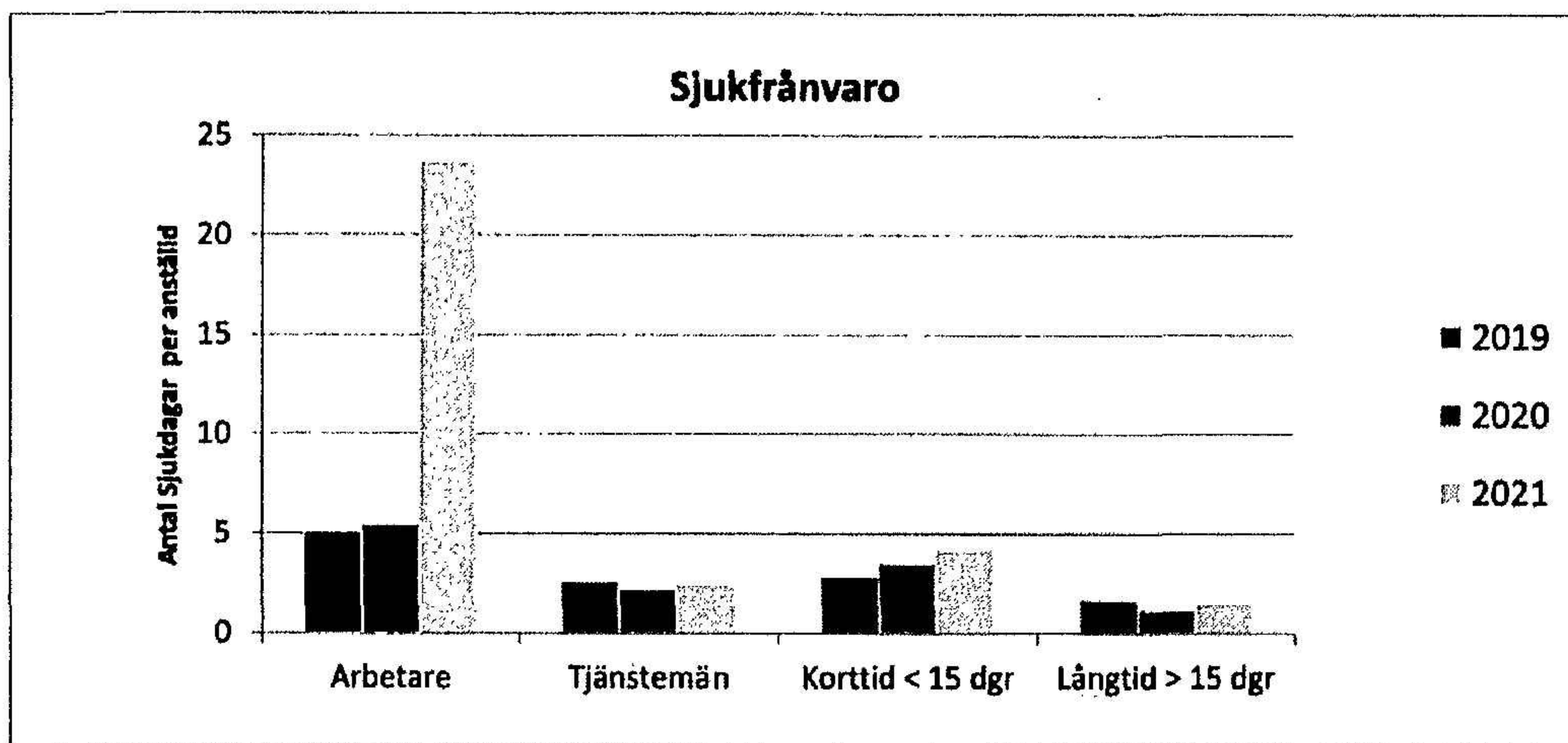
DART rate (Days Away Restricted or Transferred) är antalet sjukfrånvarodagar på grund av arbetsplatsolycka per 200 000 arbetade timmar.

### Sjukfrånvaro

Sjukfrånvaron mäts i procent med antalet sjuktimmars i förhållande till ordinarie arbetstid enligt schema. 2021 var den totala sjukfrånvaron i Sverige 5,7% (2020; 4,6%, 2019; 4,4%).

Insatser har gjorts med tätare uppföljning av chef/arbetsledare samt mer frekventa hälsosamtal. Hälsosamtal ska hållas när man haft tre sjuktillfällen på 6 månader.

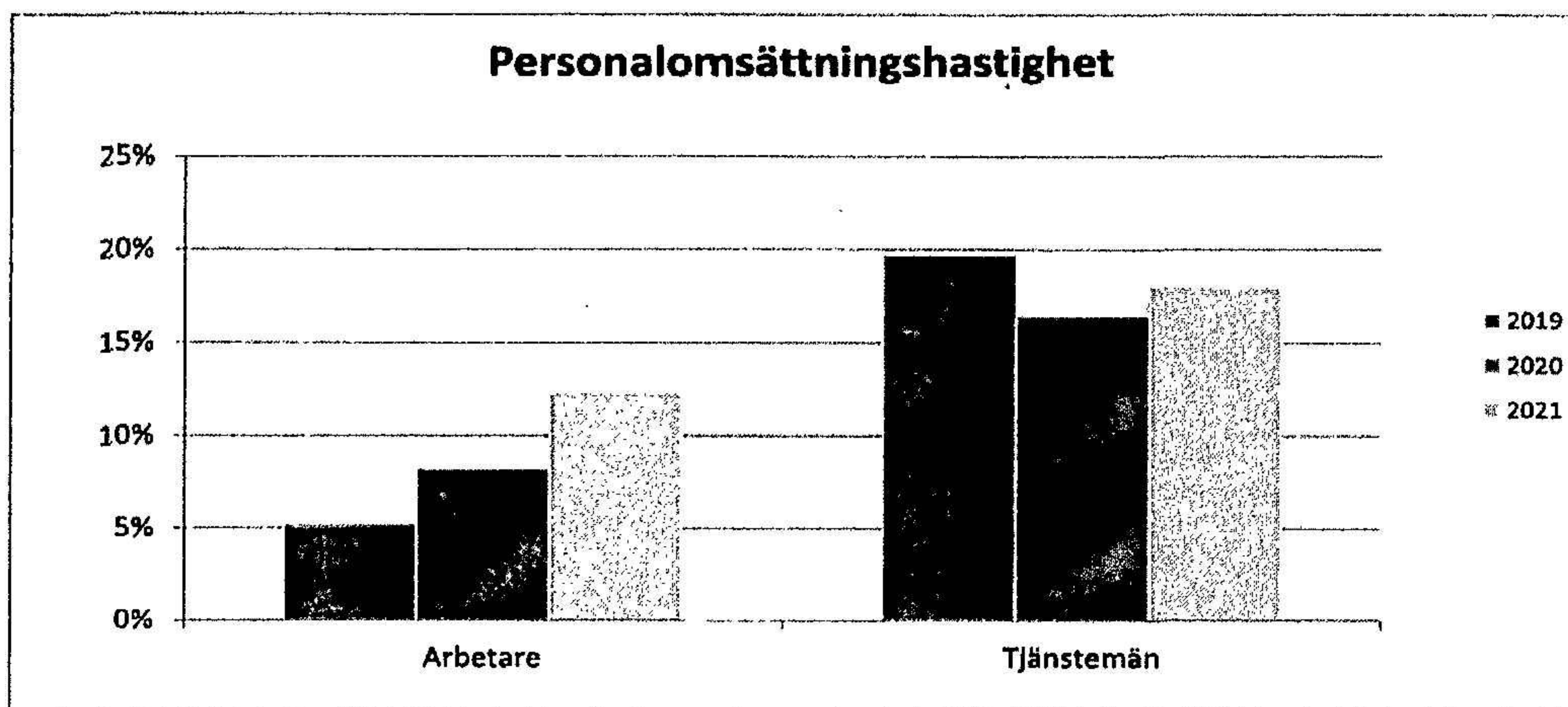
2022112501993



### Personalomsättning

Personalomsättning definieras som antalet tillsvidareanställda som slutat under perioden i förhållande till ett genomsnitt av antalet tillsvidareanställda. Alla tillsvidareanställda som slutat är med i statistiken, exkl. naturlig pensionsavgång. Med andra ord är uppsagda pga. arbetsbrist samt de som sagt upp sig på egen begäran med i statistiken.

Företagets bedömning är att en personalomsättningshastighet på 5 till 10% är långsiktigt hållbart, både för personalen och företaget. Den höga omsättningen för tjänstemän är något som företaget tittar på och kommer att jobba med under det närmsta året.



*J. W.*

<b>Flerårsöversikt (Tkr)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Nettoomsättning	570 861	527 117	595 228	593 039	518 068
Resultat efter finansiella poster	65 273	21 238	-882 516	93 031	11 082
Soliditet (%)	51,8	55,2	58,8	53,8	59,2
Balansomslutning	979 530	825 274	751 532	1 602 075	1 570 524
Antal anställda	272	261	287	270	237

### Styrelsens förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

balanserad vinst	357 578 090
årets vinst	54 424 117
	<b>412 002 207</b>

disponeras så att	
i ny räkning överföres	412 002 207

Bolagets ekonomiska resultat och ställning framgår av efterföljande resultat- och balansräkning, kassaflödesanalys samt tillhörande noter.

## Resultaträkning

Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Nettoomsättning	2	570 861	527 117
Kostnad för sålda varor		-432 778	-379 265
<b>Bruttoresultat</b>		<b>138 083</b>	<b>147 852</b>
<b>Rörelsens kostnader</b>	3		
Försäljningsomkostnader		-68 962	-64 561
Administrationsomkostnader	4	-20 409	-18 036
Övriga rörelseintäkter	5	15 850	14 315
Övriga rörelsekostnader	6	-6 104	-37 915
<b>Summa</b>		<b>-79 625</b>	<b>-106 197</b>
<b>Rörelseresultat</b>	7, 8, 9, 10	<b>58 458</b>	<b>41 655</b>
<b>Resultat från finansiella poster</b>			
Resultat från andelar i koncernföretag	11	0	-6 588
Ränteintäkter från koncernföretag		6 281	4 896
Övriga finansiella intäkter	12	4 086	0
Räntekostnader till koncernföretag		-445	-176
Räntekostnader		-3 107	-2 894
Övriga finansiella kostnader	13	0	-15 656
<b>Summa finansiella poster</b>		<b>6 815</b>	<b>-20 418</b>
<b>Resultat efter finansiella poster</b>		<b>65 273</b>	<b>21 237</b>
Bokslutsdispositioner	14	2 550	2 820
<b>Resultat före skatt</b>		<b>67 822</b>	<b>24 057</b>
Skatt på årets resultat	15	-13 398	-6 884
<b>Årets resultat</b>		<b>54 424</b>	<b>17 173</b>

J. M.

**Balansräkning**

Tkr

Not 2021-12-31 2020-12-31

**TILLGÅNGAR**

**Anläggningstillgångar**

*Immateriella anläggningstillgångar*

Immateriella anläggningstillgångar	16	554	1 550
		<b>554</b>	<b>1 550</b>

*Materiella anläggningstillgångar*

Byggnader och mark	17	28 680	30 128
Maskiner och andra tekniska anläggningar	18	39 983	41 900
Inventarier, verktyg och installationer	19	6 109	7 106
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	20	878	993
		<b>75 650</b>	<b>80 127</b>

*Finansiella anläggningstillgångar*

Andelar i koncernföretag	21, 22	377 318	250 753
Fordringar hos koncernföretag	23	164 114	65 447
Andra långfristiga värdepappersinnehav	23	96	96
Andra långfristiga fordringar	23	969	1 133
		<b>542 497</b>	<b>317 429</b>
<b>Summa anläggningstillgångar</b>		<b>618 701</b>	<b>399 106</b>

**Omsättningstillgångar**

*Varulager m m*

Varulager m m	24		
Råvaror och förnödenheter		21 567	7 370
Varor under tillverkning		66 312	52 478
Färdiga varor och handelsvaror		63 692	54 143
		<b>151 571</b>	<b>113 991</b>

*Kortfristiga fordringar*

Kundfordringar	25	66 812	53 982
Fordringar hos koncernföretag		77 344	57 635
Övriga fordringar		6 919	6 457
Förutbetalda kostnader och upplupna intäkter	26	8 583	5 883
		<b>159 658</b>	<b>123 957</b>

*Kassa och bank*

Kassa och bank	27	49 600	188 220
<b>Summa omsättningstillgångar</b>		<b>360 829</b>	<b>426 168</b>

**SUMMA TILLGÅNGAR**

**979 530 825 274**

*J. M.*

## Balansräkning

Tkr

Not

2021-12-31

2020-12-31

### EGET KAPITAL OCH SKULDER

#### Eget kapital

##### *Bundet eget kapital*

Aktiekapital

52 625

52 625

Reservfond

20 621

20 621

Fond för utvecklingsutgifter

372

1 132

**73 618**

**74 378**

##### *Fritt eget kapital*

Balanserad vinst

357 578

339 644

Årets resultat

54 424

17 173

**412 002**

**356 817**

**Summa eget kapital**

**485 620**

**431 195**

**Obeskattade reserver**

28

28 039

30 588

#### **Avsättningar**

29

Avsatt för pensioner och likande förpliktelser enligt tryggandelagen

55 641

56 298

Uppskjuten skatteskuld

2 018

955

Övriga avsättningar

67

6 360

**Summa avsättningar**

**57 726**

**63 613**

#### **Långfristiga skulder**

Skulder till koncernföretag

30

72 348

0

**Summa långfristiga skulder**

**72 348**

**0**

#### **Kortfristiga skulder**

Leverantörsskulder

61 059

49 803

Skulder till koncernföretag

203 942

178 581

Aktuella skatteskulder

2 723

7 157

Övriga skulder

21 446

27 162

Upplupna kostnader och förutbetalda intäkter

31

46 627

37 175

**Summa kortfristiga skulder**

**335 797**

**299 878**

**SUMMA EGET KAPITAL OCH SKULDER**

**979 530**

**825 274**

## Rapport över förändringar i eget kapital

Tkr

	Aktie- kapital	Reserv- fond	Fond för utv. utgifter	Balans- erad vinst	Årets Resultat	Summa
<b>Ingående eget kapital 2020- 01-01</b>	<b>52 625</b>	<b>20 621</b>	<b>2 446</b>	<b>1 290 569</b>	<b>-952 238</b>	<b>414 023</b>
Vinstdisposition				-952 238	952 238	0
Förändring fond för utvecklingsutgifter			-1 313	1 313		0
Årets resultat					17 173	17 173
<b>Utgående eget kapital 2020- 12-31</b>	<b>52 625</b>	<b>20 621</b>	<b>1 132</b>	<b>339 644</b>	<b>17 173</b>	<b>431 196</b>
Vinstdisposition				17 173	-17 173	0
Förändring fond för utvecklingsutgifter			-761	761		0
Årets resultat					54 424	54 424
<b>Utgående eget kapital 2021- 12-31</b>	<b>52 625</b>	<b>20 621</b>	<b>372</b>	<b>357 578</b>	<b>54 424</b>	<b>485 620</b>

Antalet aktier i moderbolaget uppgår per 31 december 2021 till 1 000 000 stycken (1 000 000) stam A och 761 934 411 stycken (761 934 411) pref B med ett kvotvärde på ca 0,07 kronor (0,07).

## Kassaflödesanalys

Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
<b>Rörelseresultat</b>		<b>58 458</b>	<b>41 654</b>
Justeringar för poster som inte ingår i kassaflödet mm			
- Avskrivningar/nedskrivningar som belastat resultatet		12 440	13 655
Kassaflödespåverkande finansnetto	32	8 628	17 925
Betald skatt		-16 769	-816
Övriga ej likviditetspåverkande poster		-2 961	-69
Valutakursdifferenser		-4 096	-11 198
<b>Kassaflöde från den löpande verksamheten före förändringar av rörelsekapitalet</b>		<b>55 700</b>	<b>61 151</b>
<b>Kassaflöde från förändring av rörelsekapitalet</b>			
Förändring av varulager		-37 580	-682
Förändring av rörelsefordringar		-12 830	21 051
Förändring av kortfristiga fordringar		-26 283	66 780
Förändring av kortfristiga skulder		29 096	40 808
Förändring av rörelseskulder		11 256	22 016
Förändring i avsättningar		-5 887	-7 607
<b>Summa rörelsekapitalförändring</b>		<b>-42 228</b>	<b>142 366</b>
<b>Kassaflöde från den löpande verksamheten</b>		<b>13 472</b>	<b>203 517</b>
<b>Investeringsverksamheten</b>			
Investeringar i immateriella anläggningstillgångar	16	0	0
Investeringar i materiella anläggningstillgångar	18, 19, 20	-6 968	-8 326
Investeringar i dotterbolag		-126 566	-56 473
<b>Kassaflöde från investeringsverksamheten</b>		<b>-133 534</b>	<b>-64 799</b>
<b>Finansieringsverksamheten</b>			
Minskning av långfristiga fordringar koncernföretag		1 718	7 389
Ökning av långfristiga fordringar koncernföretag		-94 634	-3 016
Valutakursdifferens bankkonton		2 114	-6 290
Erhållna (lämnade) koncernbidrag		0	0
Minskning av övriga långfristiga fordringar		0	0
Amortering av lån		0	0
Ökning av långfristiga skulder koncernföretag		72 244	0
<b>Kassaflöde från finansieringsverksamheten</b>		<b>-18 558</b>	<b>-1 917</b>
<b>Årets kassaflöde</b>		<b>-138 620</b>	<b>136 801</b>
<b>Likvida medel vid årets början</b>			
Likvida medel vid årets början		188 220	51 419
<b>Likvida medel vid årets slut</b>	27	<b>49 600</b>	<b>188 220</b>

## Noter

Tkr

### Not 1 Redovisnings- och värderingsprinciper

#### Allmänna upplysningar

Bolaget är ett privat aktiebolag med säte i Kalmar län, Västerviks kommun. Bolagets postadress är Stinavägen 1, 352 46 Växjö, Sverige. Organisationsnumret är 556324-9183. Verksamheten omfattar utveckling, tillverkning och marknadsföring av kätting- och lyftkomponenter.

Bolaget är ett dotterbolag till Gunnebo Industrier Group AB (556025-8625), som i sin tur är dotterbolag till Gunnebo Industrier Holding AB (556759-4741). Gunnebo Industrier AB ingår i koncernredovisningen för Ascend Investment S.à.r.l. Limited Liability Company, (Société à responsabilité), organisationsnummer B181601, med adress 2 rue Edward Steichen, L2540, Luxemburg. Slutlig huvudägare är private equity bolaget KKR's fond "North America Fund XI L.P."

Gunnebo Industrier AB är moderbolag i en koncern som består av dotterbolag med verksamheter som omfattar utveckling, tillverkning och marknadsföring av kätting- och lyftkomponenter samt av block/system för tunga lyft.

#### Redovisningsprinciper

Årsredovisningen upprättades för första gången 2019 i enlighet med BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). Tidigare upprättades årsredovisningen enligt årsredovisningslagen och Rådet för finansiell rapporterings rekommendation RFR2. Bytet av redovisningsprinciper medförde inga väsentliga förändringar.

#### Intäktsredovisning

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

Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen.

Ersättning i form av ränta, royalty eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

#### Redovisningsprinciper för enskilda balansposter

##### Immateriella tillgångar

Företaget redovisar internt upparbetade immateriella anläggningstillgångar enligt aktiveringsmodellen. Det innebär att samtliga utgifter som avser framtagandet av en internt upparbetad immateriell anläggningstillgång aktiveras och skrivs av under tillgångens beräknade nyttjandeperiod, under förutsättningarna att kriterierna i BFNAR 2012:1 är uppfyllda.

### **Anläggningstillgångar**

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde.

Följande avskrivningsprocent tillämpas:

Fordon	5 år
Datorer	3 - 5 år
Övriga maskiner och inventarier	5 - 15 år
Byggnader och markanläggningar	20 - 50 år
Patent, licenser och teknologi	5 - 15 år
Övriga immateriella anläggningstillgångar	3 - 10 år

### **Nedskrivningar av materiella anläggningstillgångar och immateriella tillgångar**

Vid varje balansdag analyserar företaget de redovisade värdena för materiella anläggningstillgångar och immateriella tillgångar för att fastställa om dessa tillgångar har minskat i värde. Om så är fallet, beräknas tillgångens återvinningsvärde för att kunna fastställa värdet av en eventuell nedskrivning. Där det inte är möjligt att beräkna återvinningsvärdet för en enskild tillgång, beräknas återvinningsvärdet för den kassagenererande enhet till vilken tillgången hör.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärdet. Verkligt värde med avdrag för försäljningskostnader är det pris som företaget beräknar kunna erhålla vid en försäljning mellan kunniga, av varandra oberoende parter, och som har ett intresse av att transaktionen genomförs, med avdrag för sådana kostnader som är direkt hänförliga till försäljningen. Vid beräkning av nyttjandevärde diskonteras uppskattat framtida kassaflöde till nuvärde med en diskonteringsränta före skatt som återspeglar aktuell marknadsbedömning av pengars tidsvärde och de risker som förknippas med tillgången. För att beräkna de framtida kassaflödena har företaget använt budget och prognoser för de kommande fem åren.

Om återvinningsvärdet för en tillgång (eller kassagenererande enhet) fastställs till ett lägre värde än det redovisade värdet, skrivs det redovisade värdet på tillgången (eller den kassagenererande enheten) ned till återvinningsvärdet. En nedskrivning kommer i så fall att redovisas direkt i resultaträkningen.

Vid varje balansdag gör företaget en bedömning om den tidigare nedskrivningen inte längre är motiverad. Om så är fallet återförs nedskrivningen delvis eller helt. Då en nedskrivning återförs, ökar tillgångens (den kassagenererande enhetens) redovisade värde. Det redovisade värdet efter återföring av nedskrivning får inte överskrida det redovisade värde som skulle fastställts om ingen nedskrivning gjorts av tillgången (den kassagenererande enheten) under tidigare år. En återföring av en nedskrivning kommer i så fall att redovisas direkt i resultaträkningen.

### **Finansiella instrument**

Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna 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.

2022112502001

***Kundfordringar/kortfristiga fordringar***

Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

***Kvittning av finansiell fordran och finansiell skuld***

En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

***Nedskrivningsprövning av finansiella anläggningstillgångar***

Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

***Leasingavtal***

Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

***Varulager***

Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Varulagrets värde är justerat med uppskattad värdeminskning för fysiska skador, utgångna artiklar, överdimensionerat lager samt andra former av inkurans.

***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.

***Aktuell skatt***

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

***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.

Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstads. 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.

*J. M.*

### **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.

### **Ersättningar till anställda**

Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

### **Ersättningar vid uppsägning**

Ersättningar vid uppsägning utgår när en anställds anställning sagts upp av bolaget före normal pensionstidpunkt eller då en anställd accepterar frivillig avgång i utbyte mot sådana ersättningar. Bolaget redovisar avgångsvederlag när den bevisligen är förpliktigad att säga upp anställda enligt en detaljerad formell plan utan möjlighet till återkallande eller att lämna ersättningar vid uppsägning som resultat av ett erbjudande som gjorts för att uppmuntra till frivillig avgång.

### **Ersättningar till anställda efter avslutad anställning**

I företaget finns avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser att betala något ytterligare, utöver dessa avgifter. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

I företaget finns förmånsbestämda pensionsplaner som är tryggade genom avsättning i balansräkningen enligt förenklingsreglerna i BFAR 2012:1 (K3).

### **Offentliga bidrag**

Bidrag från staten redovisas till verkligt värde när det är rimligt och säkert att bidraget kommer att erhållas och företaget kommer uppfylla de villkor som är förknippade med bidraget. Bidrag avsedda att täcka investeringar i materiella eller immateriella anläggningstillgångar reducerar tillgångarnas anskaffningsvärden och därmed det avskrivningsbara beloppet.

### **Koncernbidrag**

Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

### **Koncernförhållanden**

Företaget är moderbolag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas koncernredovisning av det överordnade moderföretaget Ascend Investment S.à.r.l. Limited Liability Company, (Société à responsabilité), organisationsnummer B181.601 med adress 2 rue Edward Steichen, L2540, Luxemburg.

### **Transaktioner med närstående**

Transaktioner med närstående sker till marknadsmässiga villkor om inte annat anges.

### **Kassaflödesanalys**

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten.

### **Nyckeltalsdefinitioner**

Soliditet som anges i förvaltningsberättelsens flerårsjämförelse beräknas genom att addera eget kapital med beräknad framskattad del av de obeskattade reserverna (79,4 %), dividerat med balansomslutningen.

### **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.

Uppskattningar och bedömningar har till exempel gjorts vid beräkning av inkurans i varulager, värdering av framtida pensionsförpliktelser, prövning av nedskrivningsbehov för andelar i dotterföretag, framtida garantiåtaganden, pågående tvister och andra legala åtaganden. De antaganden och uppskattningar som bedöms ha störst inverkan på bolagets ställning och resultat redovisas nedan.

### **Ersättningar efter avslutad anställning**

Redovisningen av avsättningar för förmånsbestämda pensionsplaner och andra pensionsförmåner redovisas enligt förenklingsregeln i BFNAR 2016:9 punkt 28.21 i form av avsättning i balansräkningen. Beloppsuppgiften gällande avsättningens storlek erhålls från ett oberoende företag (PRI) som baserar sina beräkningar på bl.a. antaganden om demografiska förhållanden och diskonteringsränta.

### **Kundfordringar**

Kundfordringar redovisas netto efter reserveringar för förväntade kreditförluster. Förväntningarna baseras på de omständigheter som är kända eller förväntas vid balansdagen. En generell reservering för väntade kreditförluster tillämpas även i enlighet med koncernens riktlinjer baserat på kundfordringens förfallotidpunkt. Ändrade finansiella förutsättningar hos betydande kunder och förändringar i framåtriktad information kan ge en annan värdering.

### **Nedskrivningsprövning av andelar i koncernföretag**

Nedskrivningsprövningar utförs årligen och baseras på beräkningar av återvinningsvärdet utifrån antaganden om framtida utveckling för intäkter, kostnader och vinstmarginaler samt beräknad marknadsmässig kapitalkostnad. Förändringar av förutsättningarna kan komma att påverka det beräknade återvinningsvärdet vid kommande nedskrivningsprövningar.

F. M.

## Not 2 Nettoomsättningens fördelning

	2021	2020
Europa	231 418	201 712
Nord- och Sydamerika	122 664	134 821
Sverige	108 406	100 473
Övriga marknader	108 373	90 111
<b>Summa</b>	<b>570 861</b>	<b>527 117</b>

Nettoomsättningens fördelning per marknad var: Europa 41 % (38), Nord- och Sydamerika 21 % (26), Sverige 19 % (19) och Övriga marknader 19 % (17). Av omsättningen avser 335,9 MSEK (296,2) extern försäljning.

## Not 3 Leasing, leasetagaren

Årets leasingkostnader avseende leasingavtal, uppgår till 12 179 tkr. Den framtida kostnaden påverkas av att ett nytt hyreskontrakt för Växjöfabriken har tecknats.

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2021	2020
Inom ett år	11 583	11 006
Senare än ett år men inom fem år	32 868	18 965
Senare än fem år	38 465	0
	<b>82 916</b>	<b>29 971</b>

## Not 4 Arvode till revisorer

	2021	2020
<b>Deloitte AB</b>		
Revisionsuppdrag	1 040	1 145
Skattekonsultationer	95	183
Övriga tjänster	0	118
<b>Summa</b>	<b>1 135</b>	<b>1 446</b>

Med revisionsuppdrag avses arvode för den lagstadgade revisionen, dvs sådant arbete som varit nödvändigt för att avge revisionsberättelsen, samt så kallad revisionsrådgivning som lämnas i samband med revisionsuppdraget.

## Not 5 Övriga rörelseintäkter

	2021	2020
Kursdifferenser	3 722	10 879
Hysesintäkter	3 426	3 436
FORA, återbetalning	8 702	0
<b>Summa</b>	<b>15 850</b>	<b>14 315</b>

### Not 6 Övriga rörelsekostnader

	2021	2020
Kursdifferenser	-2	-22 076
Integrationskostnader Crosby	-4 002	-16 624
Övriga kostnader	-2 100	785
<b>Summa</b>	<b>-6 104</b>	<b>-37 915</b>

### Not 7 Personal

För verksamhetsåret 2021 har medelantalet anställda uppgått till 272 personer (261) varav 47 kvinnor (40).

På balansdagen fanns ingen kvinna i styrelsen eller i företagsledningen.

	2021	2020
Löner och andra ersättningar	123 957	115 285
Sociala kostnader	36 749	34 969
pensionskostnader	13 464	12 415

Till styrelsen och verkställande direktören har inte utgått lön och andra ersättningar under 2021 eller 2020. Nuvarande VD har inget anställningsavtal med bolaget utan har detta uppdrag som en del i sin Europachefsroll inom Crosby-koncernen.

### Not 8 Kostnader fördelade på kostnadsslag

	2021	2020
Materialkostnader	213 194	187 612
Kostnader för ersättning anställda	177 884	159 810
Inhyrd personal	5 535	8 132
Transportkostnader	23 384	17 606
Avskrivningar	12 441	13 655
Underhållskostnader	15 184	14 196
Energikostnader	11 422	9 162
Hyreskostnader	11 630	10 294
Produktionsverktyg	11 372	11 228
Förbrukningsmaterial	14 659	10 766
IT och kommunikation	4 644	4 797
Kursdifferenser	0	22 077
Övrigt	26 904	33 747
<b>Summa</b>	<b>528 253</b>	<b>503 082</b>

*J* *W*

### Not 9 Avskrivningar

Rörelseresultatet har belastats med avskrivningar enligt följande:

	2021	2020
Kostnad för sålda varor	12 065	12 814
Försäljningskostnader	237	237
Administrationskostnader	138	604
<b>Summa</b>	<b>12 440</b>	<b>13 655</b>

### Not 10 Transaktioner med närstående

Av nettoomsättningen avsåg 235,0 MSEK (231,0) koncernföretag medan inköpen från koncernföretag uppgick till 50,5 MSEK (52,4). Inga transaktioner av förvaltningskaraktär (advokatkostnader, styrelsearvoden, etc) har förekommit mellan Gunnebo Industrier AB och ägarbolagen samt styrelseledamöter.

### Not 11 Resultat från andelar i dotterföretag

	2021	2020
Nedskrivningar fordran dotterföretag	0	-6 588
<b>Summa</b>	<b>0</b>	<b>-6 588</b>

### Not 12 Övriga finansiella intäkter

	2021	2020
Kursdifferenser	4 086	0
<b>Summa</b>	<b>4 086</b>	<b>0</b>

### Not 13 Övriga finansiella kostnader

	2021	2020
Övriga kostnader	0	-33
Kursdifferenser	0	-15 623
<b>Summa</b>	<b>0</b>	<b>-15 656</b>

Gunnebo Industrier AB  
Org.nr 556324-9183

23 (33)

2022112502008

#### Not 14 Bokslutsdispositioner

	2021	2020
Förändring överavskrivningar	2 550	2 820
<b>Summa</b>	<b>2 550</b>	<b>2 820</b>

#### Not 15 Skatter

	2021	2020
<b>Skatt på årets resultat</b>		
Aktuell skatt	-12 334	-4 989
Uppskjuten skatt	-1 064	-1 895
<b>Totalt redovisad skatt</b>	<b>-13 398</b>	<b>-6 884</b>

#### Avstämning av effektiv skatt

	2021		2020	
	Procent	Belopp	Procent	Belopp
Redovisat resultat före skatt		67 822		24 057
Skatt enligt gällande skattesats	20,6	-13 971	21,4	-5 148
Skatteeffekter av övriga ej avdragsgilla kostnader		1 684		-569
Skatteeffekter av ej skattepliktig utdelning och direktpensioner		199		675
Uppskjuten skatt på omstrukturingskostnader	20,6	-14	20,6	-51
Upplösning av omstrukturingsreserv		-1 296		-1 879
Korrigerad skatt 2020				89
<b>Redovisad effektiv skatt</b>	<b>19,8</b>	<b>-13 398</b>	<b>28,6</b>	<b>-6 884</b>

**Not 16 Immateriella tillgångar**

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	27 021	27 046
Inköp	0	0
Försäljningar/utrangeringar	0	-25
Omklassificeringar	0	0
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>27 021</b>	<b>27 021</b>
Ingående avskrivningar	-25 471	-23 515
Försäljningar/utrangeringar	0	25
Årets avskrivningar	-996	-1 981
<b>Utgående ackumulerade avskrivningar</b>	<b>-26 467</b>	<b>-25 471</b>
<b>Utgående redovisat värde</b>	<b>554</b>	<b>1 550</b>

Immateriella tillgångar avser programvara 183 Tkr (418) och balanserade utvecklingskostnader 371 Tkr (1 132).

**Not 17 Byggnader och mark**

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	69 633	69 633
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>69 633</b>	<b>69 633</b>
Ingående avskrivningar	-39 505	-38 055
Årets avskrivningar	-1 448	-1 450
<b>Utgående ackumulerade avskrivningar</b>	<b>-40 953</b>	<b>-39 505</b>
<b>Utgående redovisat värde</b>	<b>28 680</b>	<b>30 128</b>
Bokfört värde, byggnader	13 719	15 167
Bokfört värde, mark	14 961	14 961
<b>Summa</b>	<b>28 680</b>	<b>30 128</b>

**Not 18 Maskiner och andra tekniska anläggningar**

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	251 369	244 316
Inköp	6 090	7 353
Försäljningar/utrangeringar	0	-1 468
Omklassificeringar	993	1 168
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>258 451</b>	<b>251 369</b>
Ingående avskrivningar	-209 469	-201 940
Försäljningar/utrangeringar	0	1 468
Årets avskrivningar	-9 000	-8 997
<b>Utgående ackumulerade avskrivningar</b>	<b>-218 469</b>	<b>-209 469</b>
<b>Utgående redovisat värde</b>	<b>39 983</b>	<b>41 900</b>

**Not 19 Inventarier, verktyg och installationer**

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	61 617	61 587
Inköp	0	45
Försäljningar/utrangeringar	0	-15
<b>Utgående ackumulerade anskaffningsvärden</b>	<b>61 617</b>	<b>61 617</b>
Ingående avskrivningar	-54 511	-53 298
Försäljningar/utrangeringar	0	15
Årets avskrivningar	-997	-1 228
<b>Utgående ackumulerade avskrivningar</b>	<b>-55 508</b>	<b>-54 511</b>
<b>Utgående redovisat värde</b>	<b>6 109</b>	<b>7 106</b>

**Not 20 Pågående nyanläggningar och förskott avseende materiella anläggningar**

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	993	1 233
Omfördelning vid aktivering	-993	-1 168
Investeringar	878	928
<b>Summa</b>	<b>878</b>	<b>993</b>

J. J. J.

**Not 21 Specifikation andelar i koncernföretag**

Namn	Kapital- andel	Rösträtts- andel	Antal andelar	Bokfört värde 2021	Bokfört värde 2020
Gunnebo Ind GmbH	100	100	1 000	1 800	1 800
Gunnebo Ind Ltda	100	100	1	11 224	11 224
Gunnebo Ind PTY Ltd	100	100	100 000	11 700	11 700
Gunnebo Ind Ltd	100	100	100 000	0	0
Gunnebo Industries SP zoo	100	100	100	1 100	1 100
Gunnebo Ind Ltd (UK)	100	100	900 000	20 900	20 900
Gunnebo Industries (Pty) Ltd	100	100	2 750 000	0	1
Gunnebo Ind Kunshan Co Ltd	100	100	1	200	200
Gunnebo Ind Hong Kong Ltd	100	100	1	100	100
Gunnebo Ind Holding A/S	100	100	2 000	76 000	76 000
Schmiedestück-Vertrieb Feuerstein GmbH	100	100	4	56 473	56 473
GJC Investments Inc	100	100	1	71 255	71 255
Airpes Sistemas Integrales de Manutencion Y Pesaje S.L.	100	100	5 002	126 567	0
				<b>377 318</b>	<b>250 753</b>

	Org.nr	Säte	Eget kapital 2021	Resultat 2021
Gunnebo Ind GmbH	HRB226700841	Siegen	12 768	2 776
Gunnebo Ind Ltda	0001-93	Sao Paolo	12 187	3 459
Gunnebo Ind PTY Ltd	003433538	Wetherill park	11 375	643
Gunnebo Ind Ltd	270964	Dublin	-9 317	-53
Gunnebo Industries SP zoo	KRS000042473	Orneta	1 816	346
Gunnebo Ind Ltd (UK)	1169996	Redditch	49 708	8 492
Gunnebo Industries (Pty) Ltd	93/05922/07	Johannesburg	331	23 263
Gunnebo Ind Kunshan Co Ltd	67253154	Jiansu	-1 212	-359
Gunnebo Ind Hong Kong Ltd	1148305	Hong Kong	1	0
Gunnebo Ind Holding A/S	992801549	Lonevåg	60 102	-2 969
Schmiedestück-Vertrieb Feuerstein GmbH	HRB15556	Hattingen	4 787	-23 655
GJC Investments Inc	263545244	Oklahoma	86 844	0
Airpes Sistemas Integrales de Manutencion Y Pesaje S.L.	B-62,919,212	Sabadell	53 835	-1 916

**Not 22 Andelar i koncernföretag**

	2021-12-31	2020-12-31
Vid årets början	250 753	194 280
Nedskrivning av aktier i dotterföretag	-1	0
Nyemission av aktier i dotterbolag	0	0
Förvärv av aktier i dotterbolag	126 567	56 473
<b>Summa</b>	<b>377 318</b>	<b>250 753</b>

*J. M.*

**Not 23 Finansiella anläggningstillgångar**

	Långfristiga värdepappersinnehav	Fordringar hos koncernföretag	Andra långfristiga fordringar
Vid årets ingång 2020-01-01	96	78 260	1 229
Tillkommande	0	3 016	0
Avgående under året	0	-15 829	-96
<b>Vid årets utgång 2020-12-31</b>	<b>96</b>	<b>65 447</b>	<b>1 133</b>
Vid årets ingång 2021-01-01	96	65 447	1 133
Tillkommande	0	100 385	0
Avgående under året	0	-1 718	-164
<b>Vid årets utgång 2021-12-31</b>	<b>96</b>	<b>164 114</b>	<b>969</b>

**Not 24 Varulager**

	2021-12-31	2020-12-31
Råvarulager	24 845	10 604
Reserv för inkurans råvarulager	-3 278	-3 234
Varor under tillverkning	66 312	52 478
Färdigvaror	66 212	56 063
Reserv för inkurans	-2 520	-1 920
<b>Summa</b>	<b>151 571</b>	<b>113 991</b>

**Not 25 Kundfordringar**

	2021-12-31	2020-12-31
Ej förfallna	60 394	49 110
Förfallna 1 till 30 dagar	5 605	4 402
Förfallna 31 till 60 dagar	687	483
Förfallna 61 till 90 dagar	614	84
Förfallna >90 dagar	1 929	2 343
Reservering för förväntade kreditförluster	-2 417	-2 440
<b>Kundfordringar netto</b>	<b>66 812</b>	<b>53 982</b>

Bolaget redovisar en intäkt på 23 Tkr för nettoförändring av nedskrivning kundfordringar under 2021 för 2020 var det 1 798 Tkr.

**Not 26 Förutbetalda kostnader och upplupna intäkter**

	2021-12-31	2020-12-31
Förutbetalda försäkringspremier	2 010	1 678
Förutbetald IT	2 656	895
Hyrer	2 303	2 107
Övriga poster	1 614	1 203
<b>Summa</b>	<b>8 583</b>	<b>5 883</b>

**Not 27 Likvida medel**

	2021-12-31	2020-12-31
Kassa och bank	49 600	188 220
<b>Summa</b>	<b>49 600</b>	<b>188 220</b>

Inom Gunnebo Industrier AB koncernen finns gemensamma bankkonton i en s.k. cashpool. Ansvaret ligger hos Gunnebo Industrier AB.

**Not 28 Obeskattade reserver**

	2021-12-31	2020-12-31
<b>Avskrivningar utöver plan</b>		
Vid årets början	30 588	33 408
Minskning av överavskrivningar	-2 550	-2 820
<b>Vid årets slut</b>	<b>28 039</b>	<b>30 588</b>

**Not 29 Avsättningar**

**Avsatt för pensioner**

	2021	2020
FPG/PRI pensioner	54 672	55 165
Övriga pensioner	969	1 133
<b>Summa</b>	<b>55 641</b>	<b>56 298</b>
Vid årets början	56 298	56 081
Kostnader intjänade pensioner	435	1 029
Räntekostnader	2 486	2 485
Pensionsutbetalningar	-3 578	-3 297
<b>Summa</b>	<b>55 641</b>	<b>56 298</b>

Totala pensionskostnader uppgick till 16,0 MSEK (14,9) under året och redovisas i resultaträkningen som Kostnad för sålda varor, Försäljningskostnader, Administrationskostnader, Övriga rörelsekostnader eller vad gäller räntedelen som Finansiella kostnader. Kostnader avseende förmånsbestämda planer respektive avgiftsbestämda planer uppgår till 7,4 MSEK respektive 6,1 MSEK.

**Uppskjuten skatteskuld**

	2021	2020
Skillnad mellan bokförings- och skattemässiga restvärden, byggnader	1 833	2 031
Omstruktureringsreserv	-14	-1 310
Pensionsavsättning för direktpension	199	234
<b>Summa</b>	<b>2 018</b>	<b>955</b>

**Övriga avsättningar**

	2021	2020
Omstruktureringsreserv	67	6 360

### Not 30 Upplåning

Leverantörsskulder och övriga skulder förfaller inom 12 månader.

Nedanstående tabell visar Bolagets finansiella skulder som kommer att regleras netto, uppdelade efter den tid som på balansdagen återstår fram till den avtalsenliga förfallodagen. De belopp som anges i tabellen är de avtalsenliga, odiskonterade kassaflödena. Avseende de långfristiga skulderna till koncernbolag finns ingen fastställd förfallotidpunkt.

	Mindre än 1 år	Mellan 1 till 2 år	Mer än 2 år
Vid årets utgång 2020-12-31			
Långfristiga skulder till koncernföretag	0	0	0
Kortfristiga skulder till koncernföretag	178 581	0	0
Leverantörsskulder och övriga skulder	76 964	0	0
Vid årets utgång 2021-12-31			
Långfristiga skulder till koncernföretag	0	72 348	0
Kortfristiga skulder till koncernföretag	203 942	0	0
Leverantörsskulder och övriga skulder	82 504	0	0

### Not 31 Upplupna kostnader och förutbetalda intäkter

	2021-12-31	2020-12-31
Semesterlöneskuld	14 017	12 801
Upplupna löner	10 511	9 319
Sociala avgifter	11 136	9 718
Elektricitet	2 935	1 242
Revision	1 300	1 000
Frakter	1 430	344
Övrigt	5 298	2 751
<b>Summa</b>	<b>46 627</b>	<b>37 175</b>

### Not 32 Kassaflödespåverkande finansnetto

	2021-12-31	2020-12-31
Erhållen ränta	9 694	18 100
Erlagd ränta	-1 066	-175
<b>Summa</b>	<b>8 628</b>	<b>17 925</b>

Övriga kassaflödespåverkande poster består av bankkostnader och övriga finansiella kostnader.

### Not 33 Ställda säkerheter och eventualförpliktelser

	2021-12-31	2020-12-31
<b>Ställda säkerheter</b>		
För skulder kreditinstitut		
-Företagshypotek/företagsinteckning	56 000	56 000
<b>Eventualförpliktelser</b>		
Ansvarighet till PRI Pensionsgaranti	1 093	1 103
Övriga eventualförpliktelser	0	0
<b>Summa</b>	<b>1 093</b>	<b>1 103</b>

Crosby-koncernen har lämnat en borgensförbindelse till PRI om 45 miljoner kronor för Gunnebo Industrier AB's pensionsfond som administreras av PRI.

### Not 34 Riskhantering

#### Finansiell riskhantering

Bolaget är exponerat för finansiella risker till följd av förändringar i räntenivåer, valutakurser samt refinansierings- och motpartsrisker. Gunnebo Industriers finansiella verksamhet syftar till att långsiktigt minimera Bolagets finansieringskostnad och att effektivt hantera och kontrollera de finansiella riskerna.

#### Ränterisk:

Gunnebo Industrier utsätts för ränterisker genom förändringar i ränte- och marginalnivåer. Huvudsyftet med ränteriskhantering är att minska ränteförändringarnas negativa inverkan på räntekostnaden. Vid årsskiftet finns inget externt lån.

#### Valutarisk:

Bolagets försäljning och resultat påverkas av valutarisker. Bolaget försöker i första hand att balansera inköp och försäljningar i de transaktionsvalutor man har, så kallad naturlig hedge, för att minska risken. Nettotillgångarna i utländska dotterföretag värdesätts ej. US-dollar och Euro är de två viktigaste handelsvalutorna vad avser försäljning och inköp.

#### Likviditetsrisk:

Bolaget löper risken att ej kunna möta betalningsåtaganden som ett resultat av otillräcklig likviditet. Bolaget försöker möta denna risk på en konsoliderad nivå genom att ha en reserv samt genom att ha en cashpool med dotterbolag.

#### Kreditrisk:

Det finns ingen koncentration av kreditrisker avseende kundfordringar eftersom Bolaget har ett stort antal kunder som är spridda internationellt. Löpande bedöms kreditkvalité genom kreditrating och betalningshistorik. Kundfordringarna visar hög kvalitet vid en analys av utfall över tiden med låga kundförluster.

#### Generell risk:

Bolaget ingår i en koncern som har ett gemensamt försäkringsprogram innefattande bland annat ansvarsförsäkring, egendoms- och avbrottsförsäkring samt transportförsäkring.

### **Operationell riskhantering**

Att driva affärsverksamhet är alltid förknippat med risker. Såväl konjunkturen, politiska beslut som naturkatastrofer påverkar Bolagets verksamheter på olika sätt. Nedan finns några av de operationella risker Bolaget är exponerad för.

#### **Produktrisker och ansvarsrisker**

Bolagets produkter säljs i stor omfattning till säkerhetskritiska miljöer, där olika godkännanden är obligatoriska. Många av de produkterna som säljs till säkerhetskritiska miljöer, genomgår 100 procent testning i Bolagets anläggningar. Trots väl utprovade provningsmetoder kan alltid olyckor inträffa som orsakats av Bolagets produkter. Bolaget har produktansvarsförsäkringar för att skydda sig mot de ekonomiska konsekvenser som blir följden om någon av Bolagets produkter skulle vara orsak till allvarigare skada eller olycka.

#### **Råvarurisker**

De viktigaste råmaterialen i Bolagets produkter är stål och zink. Råvaruriskerna består av såväl försörjning av råvaror i tillräcklig mängd som prisförändringar. Historiskt har Bolaget varit framgångsrik i att föra över prisökningar i insatsmaterial till kunderna. Prisjusteringarna mot Bolagets kunder sker dock med en viss eftersläpning varför prisökningar på råmaterial alltid innebär omedelbara negativa konsekvenser för Bolaget, vilka på lång sikt kan bli neutrala eller positiva. Priserna för såväl stål som zink följer världsmarknadspriserna, vilket innebär att alla producenter drabbas av prisförändringar.

#### **Egendomsrisker**

Bolaget äger produktionsanläggningar och maskiner för att kunna producera de produkter som sedan säljs. För att begränsa de ekonomiska konsekvenserna har Bolaget ett försäkringsskydd som ersätter förstörd egendom och även stora delar av det eventuella ekonomiska bortfallet som blir följden av stillestånd på grund av till exempel brand. Bolaget har eftersträvat att teckna ett så effektivt försäkringsskydd som möjligt.

#### **Varumärke**

Bolagets verksamhet är i väsentlig utsträckning beroende av rätten att använda kännetecknet/ varumärket GUNNEBO som ägs av Gunnebo AB. Bolagets rätt att använda detta kännetecken/ varumärke följer av ett licensavtal. Licensavtalet innebär begränsningar för Bolaget att expandera sin verksamhet till nya produkter och verksamhetsområden och Gunnebo AB har vissa möjligheter att säga upp licensavtalet om det ej efterlevs. Om licensavtalet med Gunnebo AB skulle upphöra har inte Bolaget längre rätt att använda kännetecknet/varumärket i sitt namn och för sina produkter vilket skulle kunna medföra en väsentlig negativ påverkan på Bolagets verksamhet. Avtalet gäller under 100 år, med början 2005, och förlängs därefter automatiskt i perioder om 100 år om det inte sägs upp av Bolaget.

#### **Miljörisker**

Miljörisker är kopplade till de risker för skador Bolagets verksamhet kan åsamka luft, vatten, mark och biologiska processer. Vid producerande enheter arbetas det kontinuerligt med att förebygga miljörelaterade olyckor.

#### **IT-säkerhet**

För att säkra en god nivå avseende IT-säkerhet använder Bolaget etablerade tekniska lösningar. När åtkomsten till applikationer sker via internet skyddas dessa med så kallade brandväggar. Bolaget låter regelbundet verifiera valda lösningar med fristående externa experter.

#### **Elpolicy**

Bolagets resultat påverkas av fluktuationerna i elpriserna. För att minska elprisets påverkan på resultatet arbetar Bolaget med en elhandelspolicy, där framtida behov av el prissäkras genom fast leveransavtal. Normalt ska 50–85 procent av behovet vara låst till fast pris de närmaste 12 månaderna.

*Handwritten signature*

### **Not 35 Händelser efter balansdagen**

Rysslands krig mot Ukraina och dom sanktioner som har utfärdats påverkar bolagets resultat negativt. De sanktionerade marknaderna är mycket små för bolaget och påverkan på resultatet är mycket begränsad. Utvecklingen för stål- och energipriser, som började stiga under hösten, kommer att påverka något negativt. Detta eftersom bolagets prishöjningar till kunder inte går att genomföra i samma takt som höjningen på stål och energi.

Gunnebo Industrier AB har i april 2022 betalat en tilläggsköpeskilling på 26 miljoner kronor för aktierna i Airpes S.L, inga ytterligare betalningar förväntas.

Vad avser påverkan med hänsyn till Covid-19 viruset hänvisar vi till vad som skrivits i förvaltningsberättelsen.

Det har efter balansdagen fram till denna årsredovisnings undertecknande ej framkommit någon mer väsentlig händelse eller information om förhållande på balansdagen eller därefter, vare sig gynnsam eller ogynnsam, för bolaget eller något av dess dotterbolag som föranleder några ytterligare upplysningar.

**Not 36 Disposition av vinst eller förlust**

**2021-12-31**

**Förslag till vinstdisposition**

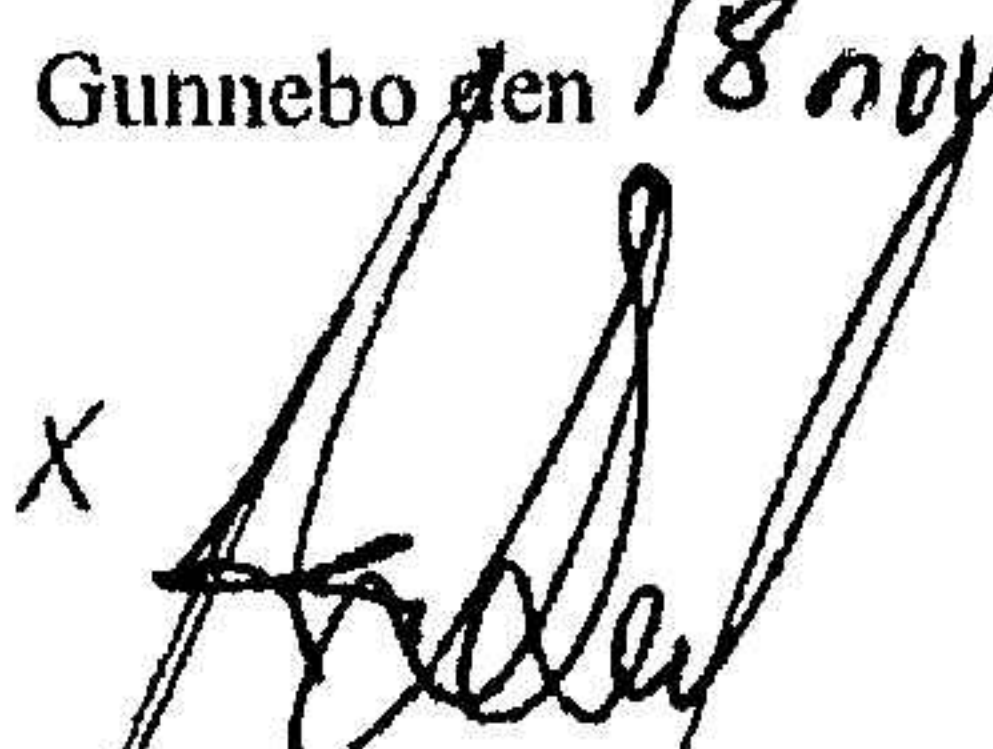
Styrelsen föreslår att till förfogande stående vinstmedel:

balanserad vinst	357 578
årets vinst	54 424
	<b>412 002</b>

disponeras så att i ny räkning överföres	412 002
---	---------

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

Gunnebo den 18 november 2022

X   
Robert Desel  
Ordförande

  
Jörgen Sjöstrand  
Styrelseledamot

X   
Wilhelm Fabricius  
Verkställande direktör

Vår revisionsberättelse har lämnats 23 november 2022

Deloitte AB

  
Åsa Löfqvist  
Auktoriserad revisor

Fotokopians överensstämmelse  
med originalet intygas:



## REVISIONSBERÄTTELSE

Till bolagsstämman i Gunnebo Industrier AB  
organisationsnummer 556324-9183

### Rapport om årsredovisningen

#### Uttalanden

Vi har utfört en revision av årsredovisningen för Gunnebo Industrier AB för räkenskapsåret 2021-01-01 - 2021-12-31 med undantag för hållbarhetsrapporten på sidorna 3-9.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Gunnebo Industrier ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Våra uttalanden omfattar inte hållbarhetsrapporten på sidorna 3-8. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

#### Grund för uttalanden

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

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

#### Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de 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 och verkställande direktören 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 och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

#### Revisorns ansvar

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

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga

osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

## Rapport om andra krav enligt lagar och andra författningar

### Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Gunnebo Industrier AB för räkenskapsåret 2021-01-01 - 2021-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

### Grund för uttalanden

Vi har utfört revisionen enligt god revisionsred i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Gunnebo Industrier AB enligt god revisionsred 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 och verkställande direktörens 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. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som

är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas 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 eller verkställande direktören 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 revisionsred 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. Som en del av en revision enligt god revisionsred i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

### Anmärkning

Årsredovisningen har inte upprättats i sådan tid att det varit möjligt att, enligt 7 kap. 10 § aktiebolagslagen, hålla bolagsstämman inom sex månader efter räkenskapsårets utgång.

## Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Det är styrelsen som har ansvaret för hållbarhetsrapporten på sidorna 3-8 och för att den är upprättad i enlighet med årsredovisningslagen.

Vår granskning har skett enligt FARs rekommendation RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och

en väsentligt mindre omfattning jämfört med den Inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionsred i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

En hållbarhetsrapport har upprättats.

Göteborg den 23 november 2022

Deloitte AB



Åsa Löfqvist  
Auktoriserad revisor

Fotokopians överensstämmelse  
med originalet intygas:



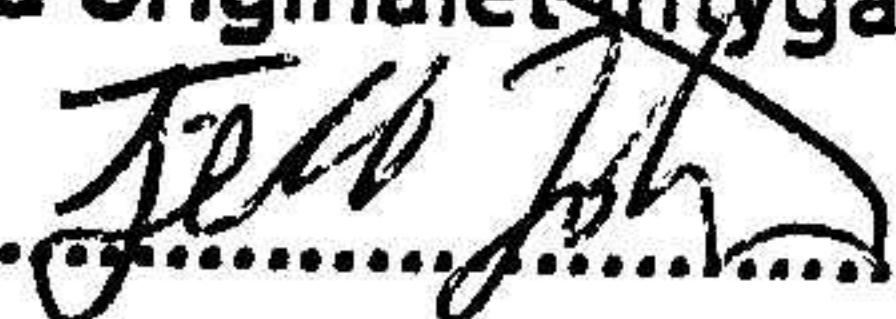
.....

**Ascend Investments S.à r.l.**  
**Société à responsabilité limitée**

**CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
AND REPORT OF  
THE RÉVISEUR D'ENTREPRISES AGRÉÉ**

2, rue Edward Steichen  
L-2540 Luxembourg  
R.C.S. Luxembourg: B181601

Fotokopians överensstämmelse  
med originalet intygas:

  
.....

**TABLE OF CONTENTS**

	Page
Consolidated Management Report	1 - 4
REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ	5 - 7
- Consolidated Balance Sheet as of December 31, 2021 and 2020	8
- Consolidated Statements of Operations and Comprehensive Income (Loss) for the Years Ended December 31, 2021 and 2020	9
- Consolidated Statements of Cash Flows for the Years Ended December 31, 2021 and 2020	10
- Consolidated Statements of Changes in Equity (Deficit) for the Years Ended December 31, 2021 and 2020	11
- Notes to the Consolidated Financial Statements	12- 61

## Consolidated Management Report

The management hereby presents the consolidated financial statements (hereafter “the financial statements”) of Ascend Investments S.à r.l. and its subsidiaries (hereafter referred to as the “Crosby Group” or “Group”) for the financial year ended December 31, 2021.

### Principal Activity and Review of Business Developments

On November 22, 2013, (the “Acquisition Date”), the Group acquired from Melrose Industries PLC (“Melrose”) its Crosby and ACCO businesses for cash consideration of approximately \$1 billion (the “Acquisition”). The Acquisition included all of the operating businesses reported to the Board of Directors of Melrose under the “Crosby” name (including the Premier Stampings division of Melrose (“Premier Stampings”), ACCO Material Handling Solutions Inc. and certain non-operating U.S. and European entities).

The Crosby businesses (including Premier Stampings) operate in North America, Europe, the Middle East, Asia and Latin America and are global market leaders in the design, manufacture and marketing of highly-engineered solutions and equipment used in rigging, lifting and material handling applications. The ACCO business is based in the United States and holds leading market positions in the hoists, cranes and monorails, and carts and trailers markets.

The Crosby and ACCO businesses serve a mix of end markets, including oil & gas, refinery and petrochemical, general industrial, non-residential construction, infrastructure and mining.

On January 2, 2019, the Group acquired 100% of the capital stock of Straightpoint (UK) Limited (“Straightpoint”) for GBP 6.8 million. The Group recorded approximately GBP 6.1 million, or \$8 million (USD) in goodwill relating to this acquisition. Straightpoint, located in Hampshire, UK, is a manufacturer of load cells and force measurement equipment which complement the Group’s existing line of highly-engineered solutions and equipment used in rigging, lifting and material handling applications.

On May 22, 2019, the Group acquired 100% of the capital stock and all of the assets and liabilities of Gunnebo Industries (“Gunnebo”) for a total consideration, net of cash acquired, of approximately \$111 million. Gunnebo Industries is a global leader in innovating, developing, manufacturing and selling products for material handling and other related applications. The Group supplies products such as blocks, sheaves, components for chain and wire rope slings, shackles and chain, produced in Sweden, Norway and USA. Gunnebo Industries has 9 sales offices covering every major continent, as well as partners and distributors in an additional 50 countries. The acquisition was fully-funded by cash equity from KKR. In conjunction with the acquisition, transaction related fees of approximately \$8 million were paid and recorded to selling, distribution and administrative expenses for the year ended December 31, 2019.

On January 14, 2020, the Group acquired 100% of the capital stock of Feubo for approximately € 11 million. Feubo, located in Hattingen, Germany, a global leader in offshore mooring components for the Oil & Gas and Wind Energy markets. The Group supplies the market with products such as kenter shackles, anchor shackles, swivels, sockets and other accessories. The Group recorded approximately \$4.5 million in goodwill relating to the acquisition.

On February 11, 2021, the Group acquired 30% of the capital stock of Verton Technologies for approximately AUD 5.7 million. Australian-based Verton has developed and commercialized disruptive advancements in load orientation technology that remove the need for human held tag lines in lifting applications.

On April 19, 2021, the Group acquired BlockCorp Ltd (“BlokCorp”) for approximately GBP 4.5 million. UK-based BlokCorp designs and manufactures innovative camera and alert systems for tower and mobile cranes. These advanced systems provide crane operators with critical visual and audio capabilities that enable safer and more productive lifting operations. The Group recorded approximately \$7.0 million in goodwill relating to the acquisition.

On May 14, 2021, the Group acquired the assets of Speedbinders.com (“Speedbinders”) for approximately \$1.5 million. US-based Speedbinders designs and manufactures torque drive load binders for heavy duty load securement. The Group recorded approximately \$1.0 million in goodwill relating to the acquisition.

On November 30, 2021, the Group acquired 100% of the capital stock of Airpes Sistemas Integrales de Manutencion Y Pesaje S.L. (“Airpes”) for approximately EUR 18 million. Airpes, based in Barcelona, Spain, is the leader in developing and manufacturing innovative lifting, handling, and weighing solutions for customers in the wind energy and industrial markets. Airpes’ highly engineered solutions, such as their yoke blade clamp, ensure safe and efficient wind turbine installation and maintenance. The Group recorded approximately \$15.8 million in goodwill relating to the acquisition.

### **Basis of Preparation**

The Group’s consolidated financial statements as of and for the years ended December 31, 2021 and 2020 are prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”).

### **Financial results in 2021/2020**

Net sales for the years ending December 31, 2021 and 2020 were \$398.7 million and \$350.7 million, respectively. The net loss for the years ending December 31, 2021 and 2020 was \$31.3 million and \$53.3 million, respectively.

**Internal control and risk management**

The Board has processes for identifying, evaluating and managing the significant risks faced by the Group. Further all employees are accountable for operating within an established code of conduct for the Group.

Crosby is subject to various risks that include but are not limited to fluctuations in interest rates, foreign currency exchange rates and the impact of oil prices on certain end-users of its products. Crosby manages its exposure with regards to interest rate fluctuations through the use of interest rate swap contracts, as further disclosed in the financial statements. Crosby currently does not enter into foreign exchange swap contracts but may evaluate the use of such contracts at a future time. Oil price fluctuation is not a risk that can be actively managed by Crosby as it impacts certain end-users of its products.

**Acquisitions of own shares**

Pursuant to Crosby's management equity program, Crosby repurchased common shares from participants who subsequently left the Group and withdrew from the Plan. During 2021, the Group repurchased a total of 250,907 shares of common stock for an aggregate consideration of \$1.3 million. During 2020, Crosby repurchased 57,342 shares of common stock for an aggregate consideration of \$0.3 million.

**Significant events since the period end**

In May 2022, the Company's indirect subsidiary, Crosby Worldwide Limited, entered into a definitive agreement to acquire Kito Corporation. Kito Corporation is a leading manufacturer of material handling equipment with 90 years of experience and world-class brands such as Kito, Harrington, and Peerless. The Company expects the transaction to close by the fourth quarter of 2022.

On April 14, 2022, the Company's indirect subsidiary, Crosby Worldwide Limited, changed its registered name to Lifting Holdings Limited. This does not change the legal entity structure or ownership and has no financial impact on the Company.

**Disclosure of information to auditors**

The Managers who held office at the date of approval of this Managers' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each manager has taken all the steps he ought to have taken as a managers to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

**Outlook 2022**

The Board of Managers expect that the Group will see continued economic pressure on the key end markets going into 2022. Through the continued focus on customer satisfaction and cost reduction initiatives, the Board of Managers expects to see an improvement in results throughout 2022.

Luxembourg, June 30, 2022

The Board of Managers

Ascend Investments S.à r.l



To the Sole Shareholder of  
Ascend Investments S.à r.l.  
2, rue Edward Steichen  
L-2540 Luxembourg

## REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

### Report on the Audit of the Consolidated Financial statements

#### Opinion

We have audited the consolidated financial statements of Ascend Investments S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as at December 31, 2021 and 2020 and the consolidated statements of operations and comprehensive income (loss) for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2021 and 2020, and of the results of its 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 audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the management report but does not include the consolidated financial statements and our report of the *réviseur d'entreprises agréé* thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Managers for the Consolidated Financial statements**

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in United States of America, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

The management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

For Deloitte Audit, *Cabinet de révision agréé*



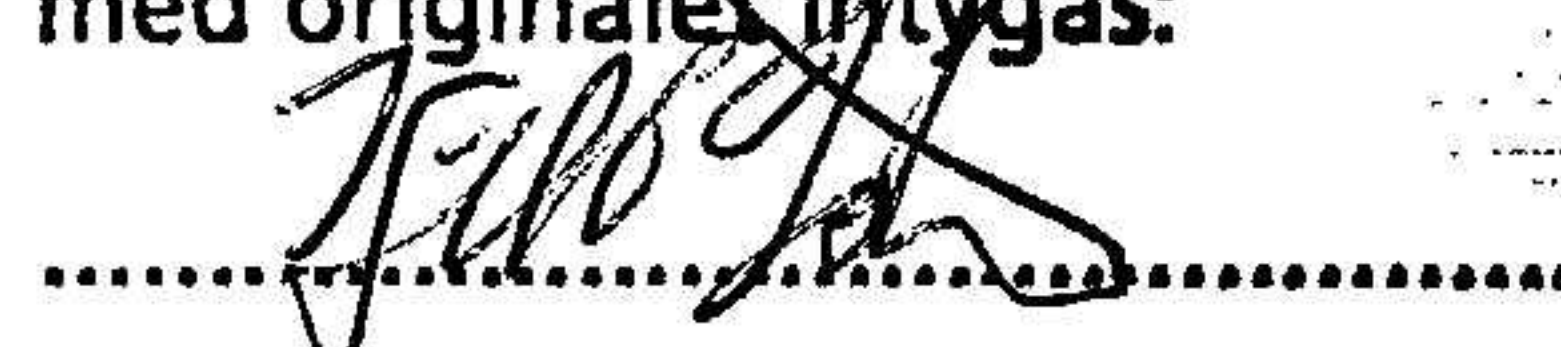
(Lecoq Jérôme)

pp

Jérôme Lecoq, *Réviseur d'entreprises agréé*  
Partner

June 30, 2022

Fotokopians överensstämmelse  
med originalet intygas:



Ascend Investments S.à r.l.  
**CONSOLIDATED BALANCE SHEETS**

as of December 31, 2021 and 2020

(expressed in million USD, except share and per share amounts)

	Notes	December 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		73.1	97.0
Accounts receivable (less allowance for doubtful accounts of \$1.0 and \$0.9, respectively)	5	63.8	49.6
Prepaid expenses and other current assets		5.5	4.2
Inventories	5	114.2	109.2
Income taxes receivable		2.6	4.9
<b>Total current assets</b>		259.2	264.9
<b>Non-current assets</b>			
Property, plant and equipment, net	5	121.4	128.4
Goodwill, net	3	106.5	107.8
Other intangible assets, net	3	235.6	262.7
Other non-current assets	5	31.7	26.8
<b>Total assets</b>		754.4	790.6
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Current portion of long-term debt	4	9.3	10.8
Convertible preferred equity certificates	9	2.0	2.0
Accounts payable		50.1	29.8
Accrued expenses and other current liabilities	5	35.2	30.2
Income taxes payable		2.7	3.0
<b>Total current liabilities</b>		99.3	75.8
<b>Non-current liabilities</b>			
Long-term debt	4	597.7	607.2
Retirement benefit obligations	7	14.9	17.1
Deferred income tax liabilities	11	68.2	74.5
Other non-current liabilities	5	30.0	34.0
<b>Total liabilities</b>		810.1	808.6
<b>Commitments and contingencies</b>	6, 13		
<b>Equity</b>	9, 10		
Common stock, \$0.01 par value (1,032,116,452 shares authorized, issued and outstanding)		10.3	10.3
Additional paid-in capital		100.1	100.1
Other equity reserve		444.7	444.7
Retained deficit		(598.3)	(567.0)
Non-controlling interest		16.8	8.3
Accumulated other comprehensive loss		(29.3)	(14.4)
<b>Total equity/(deficit)</b>		(55.7)	(18.0)
<b>Total liabilities and equity/(deficit)</b>		754.4	790.6

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

## Ascend Investments S.à r.l.

**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

for the Years Ended December 31, 2021 and 2020

(expressed in million USD)

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020
Net sales		398.7	350.7
Cost of sales		(270.1)	(250.7)
Gross profit		128.7	100.0
Selling, distribution and administrative expenses		(79.8)	(64.6)
Amortization of intangible assets		(38.0)	(41.4)
Operating income/ (loss)		10.8	(6.0)
Interest expense, net	4	(40.0)	(51.8)
Loss before income taxes		(29.2)	(57.8)
Income tax expense/(benefit)	11	(2.1)	4.5
Net income (loss)		(31.3)	(53.3)
Other comprehensive income (loss), net of tax:			
Foreign currency translation gain (loss)		(16.9)	23.2
Cash settlements for interest-rate hedges		-	7.7
Unrealized loss on interest-rate hedges		-	(1.4)
Actuarial gain (loss) on net pension liabilities		2.0	1.9
Income tax benefit (expense) related to items of other comprehensive income (loss)		-	(1.9)
Other comprehensive income (loss), net of tax		(14.9)	29.5
Total comprehensive income (loss)		(46.3)	(23.8)
Attributable to			
Equity holders of parent		(46.3)	(23.8)
Non-controlling interest		(0.0)	(0.0)

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

J

Ascend Investments S.à r.l.  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the Years Ended December 31, 2021 and 2020  
(expressed in million USD)

	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Cash flows from operating activities</b>		
Net income/(loss)	(31.3)	(53.3)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation of property, plant and equipment	20.2	20.0
Amortization of intangible assets, debt issuance costs and other	40.2	43.6
Change in deferred income taxes	(7.7)	(7.3)
Loss on disposal of assets	-	2.8
Change in inventory obsolescence reserve	1.3	4.7
Other	(2.8)	2.3
<b>Changes in operating assets and liabilities:</b>		
Inventories	(3.6)	13.3
Accounts receivable	(5.6)	11.5
Prepaid expenses	(1.2)	(0.5)
Accounts payable	14.0	(4.8)
Accrued expenses and other current liabilities	0.3	2.1
Income taxes payable	1.4	-
Retirement benefit obligations	(0.2)	0.8
<b>Net cash provided by operating activities</b>	<b>25.0</b>	<b>35.2</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(11.0)	(7.5)
Business acquisitions, net of cash acquired	(20.3)	(5.9)
<b>Net cash (used in) investing activities</b>	<b>(31.3)</b>	<b>(13.4)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from term loan borrowings	-	10.0
Proceeds from issuing common stock	0.5	0.7
Payments on term loan borrowings	(14.1)	(20.8)
Repurchase of treasury stock	(1.3)	(0.3)
<b>Net cash (used in) financing activities</b>	<b>(14.9)</b>	<b>(10.4)</b>
<b>Effect of changes in foreign exchange rates on cash</b>	<b>(2.7)</b>	<b>4.7</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(23.9)</b>	<b>16.1</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>97.0</b>	<b>80.9</b>
<b>Cash and cash equivalents – end of period</b>	<b>73.1</b>	<b>97.0</b>
<b>Supplemental Cash Flow Information</b>		
Interest paid	37.8	48.8
Income taxes paid	8.1	2.6
Non-cash purchases of property, plant and equipment	1.9	-

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

Ascend Investments S.à r.l.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)**

for the Years Ended December 31, 2021 and 2020

(expressed in million USD, except share and per share amounts)

	Common shares (\$ 0,01 per share)		Paid-in Capital	Other equity reserve	Non- Controlling Interest	Retained Earnings (Deficit)	Other Comprehensive Income (Loss)	Total Equity
	Million shares	Amount						
<b>Balance, January 1, 2020</b>	<b>1,032.1</b>	<b>10.3</b>	<b>100.1</b>	<b>444.7</b>	<b>5.2</b>	<b>(513.7)</b>	<b>(43.9)</b>	<b>2.7</b>
Issuance of common stock	-	-	-	-	3.1	-	-	3.1
Convertible Preferred Equity Certificates - Capitalized Interest	-	-	-	18.2	-	-	-	18.2
Convertible Preferred Equity Certificates - Interest Expense	-	-	-	(18.2)	-	-	-	(18.2)
Net income (loss)	-	-	-	-	-	(53.3)	-	(53.3)
Other comprehensive income	-	-	-	-	-	-	29.5	29.5
<b>Balance, December 31, 2020</b>	<b>1,032.1</b>	<b>10.3</b>	<b>100.1</b>	<b>444.7</b>	<b>8.3</b>	<b>(567.0348)</b>	<b>(14.4)</b>	<b>(18.0)</b>
Issuance of common stock	-	-	-	-	8.5	-	-	8.5
Impact of change in shareholding	-	-	-	-	-	-	-	-
Convertible Preferred Equity Certificates - Capitalized Interest	-	-	-	18.8	-	-	-	18.8
Convertible Preferred Equity Certificates - Interest Expense	-	-	-	(18.8)	-	-	-	(18.8)
Net income (loss)	-	-	-	-	-	(31.3)	-	(31.3)
Other comprehensive income (loss)	-	-	-	-	-	-	(14.9)	(14.9)
<b>Balance, December 31, 2021</b>	<b>1,032.1</b>	<b>10.3</b>	<b>100.1</b>	<b>444.7</b>	<b>16.8</b>	<b>(598.3)</b>	<b>(29.3)</b>	<b>(55.7)</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 1 - GENERAL INFORMATION**

Ascend Investments S.à r.l. (the “Company”) was incorporated in the Grand-Duchy of Luxembourg on October 29, 2013 as a limited liability Company (Société à responsabilité limitée) within the definition of the Luxembourg Law of August 10, 1915. The Company has been formed for an unlimited period. The Company’s registered office is established in 2, rue Edward Steichen, L-2540, Luxembourg under the commercial register number B181601.

The purpose of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies, or other business entities, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio. The Company may also hold interests in partnerships and carry out its business through branches in Luxembourg or abroad.

The Company may borrow in any form and proceed by private placement to the issue of bonds and debentures.

In a general fashion it may grant assistance (by way of loans, advances, guarantees or securities or otherwise) to companies or other enterprises in which the Company has an interest or which forms part of the Group of companies to which the Company belongs (including upstream or cross stream), take any controlling and supervisory measures and carry out any operation which it may deem useful in the accomplishment and development of its purposes.

Finally, the Company can perform all commercial, technical and financial or other operations, connected directly or indirectly in all areas in order to facilitate the accomplishment of its purpose.

The Company’s financial year begins on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of the same year.

On November 22, 2013, (the “Acquisition Date”), Crosby acquired from Melrose Industries PLC (“Melrose”) its Crosby and ACCO businesses for cash consideration of approximately \$1 billion (the “Acquisition”). The Acquisition included all of the operating businesses reported to the Board of Directors of Melrose under the “Crosby” name (including the Premier Stampings division of Melrose (“Premier Stampings”), ACCO Material Handling Solutions Inc. and certain non-operating U.S. and European entities).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 1 - GENERAL INFORMATION (continued)**

The Crosby businesses (including Premier Stampings) operate in North America, Europe, the Middle East, Asia and Latin America and are global market leaders in the design, manufacture and marketing of highly-engineered solutions and equipment used in rigging, lifting and material handling applications. The ACCO business is based in the United States and holds leading market positions in the hoists, cranes and monorails, and carts and trailers markets.

The Crosby and ACCO businesses serve a mix of end markets, including oil & gas, refinery and petrochemical, general industrial, non-residential construction, infrastructure and mining.

On January 14, 2020, the Group acquired 100% of the capital stock of Feubo for approximately € 11 million. Feubo, located in Hattingen, Germany, a global leader in offshore mooring components for the Oil & Gas and Wind Energy markets. The Group supplies the market with products such as kenter shackles, anchor shackles, swivels, sockets and other accessories. The Group recorded approximately \$4.5 million in goodwill relating to the acquisition.

On February 11, 2021, the Group acquired 30% of the capital stock of Verton Technologies for approximately AUD 5.7 million. Australian-based Verton has developed and commercialized disruptive advancements in load orientation technology that remove the need for human held tag lines in lifting applications.

On April 19, 2021, the Group acquired BlockCorp Ltd (“BlokCorp”) for approximately GBP 4.5 million. UK-based BlokCorp designs and manufactures innovative camera and alert systems for tower and mobile cranes. These advanced systems provide crane operators with critical visual and audio capabilities that enable safer and more productive lifting operations. The Group recorded approximately \$7.0 million in goodwill relating to the acquisition.

On May 14, 2021, the Group acquired the assets of Speedbinders.com (“Speedbinders”) for approximately \$1.5 million. US-based Speedbinders designs and manufactures torque drive load binders for heavy duty load securement. The Group recorded approximately \$1.0 million in goodwill relating to the acquisition.

On November 30, 2021, the Group acquired 100% of the capital stock of Airpes Sistemas Integrales de Manutencion Y Pesaje S.L. (“Airpes”) for approximately € 18 million. Airpes, based in Barcelona, Spain, is the leader in developing and manufacturing innovative lifting, handling, and weighing solutions for customers in the wind energy and industrial markets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 1 - GENERAL INFORMATION (continued)**

Airpes' highly engineered solutions, such as their yoke blade clamp, ensure safe and efficient wind turbine installation and maintenance. The Group recorded approximately \$15.8 million in goodwill relating to the acquisition.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Company received the authorization from the Luxembourg Ministry of Justice to prepare and file its consolidated financial statement in conformity with accounting principles generally accepted in the United States of America (US GAAP) rather than accounting principles generally accepted in Luxembourg. The permission has been granted subject to the condition that a comprehensive reconciliation of net income and stockholder's equity from US GAAP to Lux GAAP is presented. Please refer to Note 18.

Unless stated otherwise, accounting policies described herein have been applied consistently in preparing the accompanying financial statements for the financial year.

2.1 Basis of preparation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

2.2 Principles of consolidation

The consolidated financial statements include the results of the Company and all its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

2.3 Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

2022112502037

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.4 Dollar Amounts

All dollar amounts (except share and per share amounts) presented in the tabulations within the notes to our consolidated financial statements are stated in millions of US Dollars, unless otherwise noted.

2.5 Foreign Currency

The Group functional and reporting currency is the US Dollar ("USD" or "\$") for all periods presented. However, some of the subsidiaries of the Group have a functional currency other than USD.

*Foreign-currency Transaction Gains and Losses*

Monetary assets and liabilities denominated in currencies other than functional currencies are measured at the balance sheet date, while transactions in foreign currencies are measured at the rates on the transaction dates. The resulting foreign-currency transaction gains and losses are recorded in the consolidated statements of operations as a component of operating loss and resulted in a loss of \$1.0 million for the year ended December 31, 2021 and no gain/loss for the year ended December 31, 2020.

*Foreign-currency Translation Gains and Losses*

Financial statements of entities within the reporting group that have a functional currency other than USD are translated into USD as follows: assets and liabilities are translated using the exchange rate at the balance sheet date and the results of operations using the average exchange rate during the period. The resulting translation adjustments are reflected as a separate component of other comprehensive income (loss).

2.6 Revenue Recognition

Revenue is recognized in accordance with ASU 2014-09 — Revenue from Contracts with Customers, from the sale of products at the time the performance obligation has been met, i.e. goods are delivered, and a contract exists with the customer. A contract exists if both parties have approved the contract, the entity can identify each party's rights regarding the goods to be transferred, the entity can identify the payment terms, the contract has commercial substance, and it is probable that the Group will collect substantially all of the consideration which it will be entitled to in exchange for those goods. The timing of product delivery is determined by reference to contractually-specified shipping terms, which primarily are FOB shipping point, and revenue is earned at a point in time.

2022112502038

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Sales are recognized at the net amount to be received after deductions for estimated discounts, rebates, allowances and returns. Typically, the consideration is fixed for all contracts and is, therefore, known upon the completion of the performance obligation. These estimates and reserves are determined and adjusted as needed based upon historical experience, contract terms and other relevant factors.

2.7 Cost of Sales

Cost of sales reflects the costs of manufacturing and shipping of the products, such as raw materials, energy, labor, depreciation and repair costs of property, plant and equipment employed in manufacturing and other production costs.

2.8 Warranty Costs

Estimated costs related to products warranty are accrued using a specific identification basis. Estimated costs are based on past warranty claims, sales history, and the remaining warranty periods.

2.9 Shipping and Handling costs

Shipping and handling costs are accounted for in accordance with ASC 610-10 — Principal Agent Considerations. Amounts billed to customers in sale transactions related to shipping and handling costs are recorded as revenue as shipping activity is considered a fulfilment activity (no separate obligation). Shipping and handling costs incurred are included in cost of sales in the accompanying consolidated statement of operations.

2.10 Selling, Distribution and Administrative Expenses

Selling, distribution, and administrative expense is primarily comprised of selling expenses, marketing expenses, research and development costs, administrative and other indirect overhead costs and depreciation expense on non-manufacturing assets and other miscellaneous operating items.

2.11 Advertising Costs

Advertising costs are accounted for in accordance with ASC 720-35 — Advertising Costs. Generally, advertising costs are immaterial and are expensed as incurred and included in selling and marketing expense.

2022112502039

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.12 Cash and Cash Equivalents**

Cash and cash equivalents are defined as short-term highly liquid investments with original maturities of 90 days or less.

**2.13 Accounts Receivable**

Accounts receivable are reported in the balance sheet net of allowances for doubtful accounts. The Group evaluates the collectability of accounts receivable based on a combination of factors. If circumstances indicate a specific customer's inability to meet its financial obligations, the Group records a specific reserve for bad debts in order to reduce the receivable to the amount reasonably believed to be collectable. For all other customers, a reserve for estimated uncollectible accounts receivable is established based on historical collection experience, with a charge against current earnings.

**2.14 Inventories**

Inventories are stated at the lower of cost or net realizable value. The principal components of cost included in inventories are materials, direct labor and manufacturing overhead. Inventory at the Group's U.S. locations was accounted for using the "last-in, first-out" ("LIFO") method. For non-U.S. locations, the "first in, first-out" ("FIFO") method was used.

The Group performs periodic assessments to determine the existence of obsolete, slow-moving and damaged inventory and records necessary provisions to reduce such inventory to the lower of cost or net realizable value.

**2.15 Property, Plant and Equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and historical impairment. Upon purchase or construction of an asset in the normal course of business the Group capitalizes all costs necessary to make the asset ready for its intended use.

Property, plant and equipment is depreciated over its estimated useful life using the straight-line method. Useful lives for property, plant and equipment by major asset class were as follows:

<u>Asset Class</u>	<u>Useful Life</u>
Machinery and equipment	3 to 20 years
Buildings	30 to 50 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Expenditures for maintenance and repairs are charged to operating expense as incurred. The costs of major renewals and improvements that extend the life or operating efficiency of the asset are capitalized. At the time property, plant and equipment is retired or otherwise disposed, the cost and associated reserves for accumulated depreciation and impairment are removed from the accounts and the gain or loss on disposal is recognized in the period incurred.

2.16 Long-Lived Assets

Long-lived assets, such as property, plant, and equipment and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Group first compares the undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. These determinations of fair value are primarily based upon internally developed cash flow models and would generally be classified as Level 3 inputs in the valuation hierarchy. The Group groups long-lived assets by reporting unit for purposes of recognition and measurement of an impairment loss as this is the lowest level for which cash flows are independent. There was no impairment of long-lived assets and acquired customer relationships in 2021 and 2020.

Acquired customer-relationship intangible assets were measured at fair value at the date of acquisition using the multi-period excess earnings method under the income approach and are being amortized based on the estimated pattern in which the economic benefits are expected to be consumed. Amortization expense in any given year is based on a rate that discounted net future cash flows arising from these customer relationships for that year bear to total discounted net cash flows these relationships are expected to generate. Because a level of customer attrition is assumed to occur, the application of this amortization method results in a declining cost base and associated amortization expense over the expected economic life of these assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.17 Goodwill and Indefinite-Lived Intangible Assets

Effective January 1, 2016, the Group adopted ASU 2014-02 — Accounting for private company goodwill; therefore, the Group records goodwill amortization expense annually. Other indefinite-lived intangible assets, primarily tradenames, are not amortized. Goodwill and trade names are reviewed for impairment upon the occurrence of a triggering event. When warranted, the impairment assessment of goodwill and other indefinite-lived intangibles is performed at the total entity level for the Group and the appropriate business unit level, respectively. Impairment write-downs are charged to results of operations in the period in which the impairment is determined.

If a triggering event occurs, the Group determines fair value at the appropriate level using an income and market approach. For purposes of the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. Internal forecasts are used to estimate future cash flows and include an estimate of long-term future growth rates based on the most recent views of the long-term outlook for the Group. The Group also uses the market approach as an additional element of its entity valuation. This technique utilizes comparative market multiples in the valuation estimate. While the income approach has the advantage of utilizing more company specific information, the market approach has the advantage of capturing market based transaction pricing. Estimated fair value of the Group from each approach often results in a premium over its market capitalization, commonly referred to as a control premium. Assessing the acceptable control premium percentage requires judgment and is impacted by external factors such as observed control premiums from comparable transactions derived from the prices paid on recent publicly disclosed acquisitions in the industry. The Group estimates the fair value of trade names using a royalty model approach which required the use of significant unobservable inputs, including assumptions of future revenues.

Estimating the fair value of the Group requires the use of estimates and significant judgments that are based on a number of factors including current and historical actual operating results, balance sheet carrying values, most recent forecasts, and other relevant quantitative and qualitative information. These estimates are primarily based upon internally developed cash flow models and would generally be classified as Level 3 inputs in the valuation hierarchy. If current or expected conditions deteriorate, it is reasonably possible that the judgments and estimates described above could change in future periods and result in impairment charges.

The Group did not identify indicators requiring it to perform impairment tests of goodwill or trade names during 2021 or 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.18 Environmental and Legal Contingencies

Liabilities for environmental remediation costs and other contingent liabilities are initially recognized on an undiscounted basis when the Group's loss with respect to a particular environmental or other matter is both probable of being incurred and reasonably estimable and are included in the accompanying consolidated balance sheets in accrued expenses and other current liabilities and in other non-current liabilities. Subsequent adjustments to initial liability estimates are recorded as necessary based upon additional information developed in subsequent periods. These estimates are primarily based upon internally developed cash flow models and would generally be classified as Level 3 inputs in the valuation hierarchy. The charges associated with environmental and legal contingencies, net of recognized cost recoveries, are reflected in the statements of operations as a component of selling, distribution and administrative expenses.

*Environmental Obligations*

As sites of environmental concern are identified, the Group assesses the existing conditions, claims and assertions, and records an estimated undiscounted liability when environmental assessments and/or remedial efforts are probable and the associated costs can be reasonably estimated. Estimates of environmental liabilities, which reflect the cost of investigation and remediation, are based on a variety of matters, including, but not limited to, the stage of investigation, the stage of the remedial design, evaluation of existing remediation technologies, and presently enacted laws and regulations. In future periods, a number of factors could significantly change the Group's estimate of environmental remediation costs, such as changes in laws and regulations, or changes in their interpretation or administration, revisions to the remedial design, unanticipated construction problems, identification of additional areas or volumes of contaminated soil and groundwater, and changes in costs of labor, equipment and technology.

*Personal Injury Claims and Other Legal Contingencies*

From time to time, the Group, along with numerous other unrelated third parties, may be named as a defendant in personal injury lawsuits, allegedly arising from the use of products produced by the Group's subsidiaries. Certain of these claims are based on alleged exposure to asbestos-containing materials. The associated liability for pending and probable future claims and defense costs is estimated based on historical and expected claim experience, considering factors such as the number of claims filed, average claim dismissal rate, and average defense cost per claim.

2022112502043

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Cost Recoveries*

To the extent costs associated with environmental investigation and remediation activities or personal injury claims have been incurred and are recoverable under insurance policies or cost-sharing arrangements and such recoveries are deemed probable, the Group recognizes a receivable on an undiscounted basis. Receivables are reflected in the accompanying consolidated balance sheets in accounts receivable and in other non-current assets, depending on estimated timing of recovery.

2.19 Retirement Plans

The Group sponsors a number of defined contribution and defined benefit retirement plans.

*Defined Contribution Plans*

Contributions payable to defined contribution plans are charged to expense as the contributions are earned by employees.

*Defined Benefit Plans*

All of the Group's pension plans are closed to new entrants for participation and are frozen, meaning that plan participants no longer accrue benefits, with the exception of the local statutory pension plan in Sweden. Previously accrued benefits to which existing plan participants are entitled and accrued benefits in Sweden are generally based on age at retirement and years of service. Pension asset and liabilities, as well as the net periodic cost, are actuarially determined using several assumptions, the most significant of which are the discount rate and the long-term rate of return on plan assets. The recognition of actuarial gains and losses, which occur when actual experience differs from actuarial assumptions, is initially deferred to accumulated other comprehensive income (loss) in stockholders' equity (deficit), net of taxes. If actuarial gains and losses exceed ten percent of the greater of plan assets or plan obligations, they are amortized into net income over the average future service period or life of plan participants. The funded status of the Group's pension plans is reflected on the consolidated balance sheets as a net pension asset or net pension liability, on a plan-by-plan basis, as retirement benefit obligation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.20 Derivative Financial Instruments

ASC 815 — Derivatives and Hedging, requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the statement of financial position. For derivatives designated as hedges, gains or losses on fair value hedges are offset in current earnings against the change in fair value of the risk being hedged, while the effective portion of the gain or loss on a cash flow hedging instrument is reported in accumulated other comprehensive income until the hedged item is recognized in earnings.

The Group reflects the fair value of its interest-rate swap contracts as assets and liabilities on its consolidated balance sheet, with the effective portion of the related gain or loss on those contracts deferred in stockholders' equity (deficit) (as a component of accumulated other comprehensive income (loss)). These deferred gains or losses will be recognized in consolidated net income (loss) in the same future periods in which the underlying hedged forecasted transactions (debt-related interest) affect earnings. Gain or loss from hedge ineffectiveness, if any, which represents the cumulative gains or losses on the derivative instruments that are not offset by the cumulative changes in the expected future hedged cash flows, is immediately recognized in net income (loss) when incurred.

To qualify for hedge accounting treatment, the Group formally documents the details of the hedging relationship at inception of the arrangement, including the risk management objective, hedging strategy, hedged item or transaction, specific risk being hedged, the derivative instrument, and the method of assessing effectiveness and measuring ineffectiveness. Subsequent to the initial designation, the Group periodically reviews each hedging relationship to ensure that the derivative continues to be highly effective in offsetting expected changes in the cash flows being hedged. Effectiveness is evaluated on a retrospective and prospective basis based on quantitative and qualitative measures.

2.21 Income taxes

The Group's provision for income taxes was prepared under the accounting principles prescribed in Accounting Standards Codification 740 — Income Taxes.

*Current Income Taxes*

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the period. Taxable profit differs from accounting profit because it excludes items of income or expense recognized for accounting purposes that are either not taxable or deductible for tax purposes or are taxable or deductible in other periods. Current tax is calculated using tax rates that have been enacted at the balance sheet date.

2022112502045

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***Uncertain Tax Positions*

Uncertain tax positions are recognized in the consolidated financial statements for positions which are considered more likely than not of being sustained based on the technical merits of the position on audit by the tax authorities. The measurement of the tax benefit recognized in the consolidated financial statements is based upon the largest amount of tax benefit that, in management's judgement, is greater than 50% likely of being realized based on a cumulative probability assessment of the possible outcomes. The Group reflects interest on unrecognized tax benefits and penalties as a component of income tax expense, while interest and penalties that are accrued are included in the corresponding tax liability in the consolidated balance sheets.

*Deferred Income Taxes*

Deferred tax assets and liabilities are recognized for differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the tax bases of assets and liabilities that will result in future taxable or deductible amounts. The deferred tax assets and liabilities are measured using the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. In making such determination, the Group considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. In the event the Group was to determine that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, the Group would make an adjustment to the valuation allowance which would reduce income tax expense.

**2.22 Fair value Measurements**

While the Group may occasionally measure certain assets and liabilities at fair value (such as in the case of measuring asset impairment), the only assets and liabilities of the Group required to be stated on its consolidated balance sheets at fair value and, therefore, remeasured on a recurring basis, are derivative assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Group may use a variety of valuation techniques and valuation inputs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

A hierarchy for valuation inputs established by the Group maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market rates obtained from sources independent of the Group. Unobservable inputs are inputs that reflect the Group's estimates about the assumptions market participants would use in the pricing of the asset or liability based on the best information available. The hierarchy is represented by three levels of valuation inputs, based on their relative reliability:

*Level 1*

Valuations based on quoted prices in active markets for identical assets or liabilities to those being measured.

*Level 2*

Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

*Level 3*

Valuations that use significant unobservable inputs, in which there is little or no market data available, thus necessitating development of its own assumptions by the Group.

**2.23 Stock-Based Compensation**

The Group recognizes stock-based compensation expense based on estimated fair value of the stock awards on the date of grant. Vesting of the stock awards is based on certain performance, market and services conditions over a five-year period. Because vesting of the shares is based primarily on a performance target, which are currently not considered probable of achieving, no stock-based compensation has been recognized in 2021 or 2020.

**2.24 Convertible Preferred Equity Certificates**

Convertible Preferred Equity Certificates were prepared under the accounting principles prescribed in ASC-825 Financial Instruments. The Nominal of Convertible Preferred Equity Certificates as well as the interest expense are recognized as equity. The capitalized interest during the year is adjusted back to equity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.25 New Accounting Standards

*New Accounting Standards Issued and Adopted*

In March 2021, the FASB issued ASU 2021-03, Intangibles – Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events (“ASU 2021-03”). ASU 2021-03 provides an accounting alternative expected to reduce the complexity for private companies and not for profit organizations when performing the goodwill triggering event evaluation. The amendments in this Update provide private companies and not-for-profit entities with an accounting alternative to perform the goodwill impairment triggering event evaluation as required in Subtopic 350-20 as of the end of the reporting period, whether the reporting period is an interim or annual period. ASU 2021-03 did not have an impact on the financial statements for the current year.

In March 12, 2020, the FASB issued 2020-04 — Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, (“ASU 2020-04”), to provide optional guidance for a limited period of time to ease the potential burden in accounting for reference rate reform. The amendments in the ASU provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. The amendments in this ASU apply only to contracts, hedging relationships, and other transactions that reference the London Inter-bank Offered Rate (LIBOR) or another reference rate expected to be discontinued due to reference rate reform. ASU 2020-04 is effective for the Company beginning in 2020 and through December 2022. An entity may elect to apply the amendments prospectively through December 31, 2022. ASU 2020-04 did not have an impact on the financial statements for the current year.

*New Accounting Standard Issued and Not Yet Adopted*

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”). Current GAAP delays the recognition of the full amount of credit losses until the loss is probable of occurring. The amendments in this update eliminate the probable initial recognition threshold and, instead, reflect the entity’s current estimate of all expected credit losses. In addition, current guidance limits the information an entity may consider in measuring a credit loss to its past events and current conditions. The amendments in this update broaden the information an entity may consider in developing its expected credit loss estimate to include forecasted information. ASU 2016-13 is effective for annual periods beginning after December 15, 2022, including interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the effect of adopting ASU 2016-13.

2022112502048

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) (“ASU 2016-02”). ASU 2016-02 increases transparency and comparability among organizations by requiring lessees to record right-to-use assets and corresponding lease liabilities on the balance sheet and disclosing key information about lease arrangements. The new guidance will continue to classify leases as either finance or operating, with classification affecting the pattern of income recognition in the statement of income. In June 2020, the FASB issued 2020-05 — Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities (“ASU 2020-05”). Under ASU 2020-05, the effective date of adoption of the leasing standard (Topic 842) for private entities is deferred until annual reporting periods beginning after December 15, 2021 and interim periods within annual reporting periods beginning after December 15, 2022. We are currently evaluating the effect of adopting ASU 2016-02.

In January 2020, the FASB issued ASU 2020-01, Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) - Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a Consensus of the Emerging Issues Task Force) (“ASU 2020-01”), to clarify the interaction of the accounting for equity securities under Topic 321, investments under the equity method of accounting in Topic 323, and the accounting for certain forward contracts and purchased options accounted for under Topic 815. ASU 2020-01 clarifies that an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting for the purposes of applying the measurement alternative in accordance with Topic 321 immediately before applying or upon discontinuing the equity method. ASU 2020-01 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted, including early adoption in an interim period. We are currently evaluating the effect of adopting ASU 2020-01.

In October 2020, the FASB issued ASU 2020-10, Codification Improvements, (“ASU 2020-10”), to improve the consistency of the Codification by including all disclosure guidance in the appropriate Disclosure Section (Section 50). These amendments are not expected to change current practice. The amendments are effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022. Early adoption is permitted. We are currently evaluating the effect of adopting ASU 2020-10.

In March 2021, the FASB amended Intangibles – Goodwill and other (Topic 350): Accounting Alternative for Evaluating Triggering Events.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The amendments in this ASU provide private companies and not-for-profit entities (that elected the accounting alternative for the subsequent measurement of goodwill provided under paragraphs 350-20-35-62 through 35-82) with an accounting alternative to perform the goodwill impairment triggering event evaluation as required in ASC 350-20 as of the reporting period end instead of evaluating goodwill impairment triggering events when they occur (which is a requirement that will remain in effect for all public business entities). The amendments in this ASU are effective prospectively for fiscal years beginning after December 15, 2019. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance as of March 30, 2021, but private companies and not-for-profit entities cannot retroactively adopt the ASU for interim financial statements that have already been issued in the year of adoption. We are currently evaluating the effect of adopting ASU 2020-10.

In October 2021 the FASB issued ASU 2021-07. The amendments in the ASU allows nonpublic entities to use, as a practical expedient, “the reasonable application of a reasonable valuation method” to determine the current price input of equity-classified share-based payment awards issued in exchange for goods or services. The ASU further clarifies that an entity that wishes to apply the practical expedient must do so on a measurement-date-by-measurement-date basis. That means that the practical expedient must be applied to all share-based awards within the scope of the practical expedient that have the same underlying share and the same measurement date. An entity that elects the practical expedient is also required to disclose that election. The guidance in ASU 2021-07 is effective for nonpublic entities for fiscal years beginning on or after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early application, including application in an interim period, is permitted for financial statements that have not yet been issued or made available for issuance as of October 25, 2021. We are currently evaluating the effect of adopting ASU 2021-07.

In October 2021 the FASB issued ASU 2021-08 to amended Topic 805 to add contract assets and contract liabilities to the list of exceptions to the recognition and measurement principles that apply to business combinations and to “require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquire Dina a business combination in accordance with Revenue for Contracts with Customers (Topic 606).” This ASU amendments are effective for Fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. We are currently evaluating the effect of adopting ASU 2021-08.

2022112502050

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In November 2021 the Board issued ASU 2021-09, which allows lessees that are not public business entities to make an accounting policy election by class of underlying asset, rather than on an entity-wide basis, to use a risk-free rate as the discount rate when measuring and classifying leases. In addition, this ASU requires lessees to disclose their election, including the asset class(es) for which they have elected the accounting policy, and use the rate implicit in the lease instead of the risk-free rate when the former is readily determinable, regardless of whether the practical expedient has been elected. Lessees that have not yet adopted Topic 842 as of November 11, 2021, should apply the transition requirements in ASC 842-10-65-1 when adopting ASU 2021-09. ASU 2021-09 should be adopted on the same date on which an entity adopts Topic 842.

Lessees that have adopted Topic 842 as of November 11, 2021, should apply the transition requirements below for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. We are currently evaluating the effect of adopting ASU 2021-09.

On November 17, 2021, the Board issued ASU 2021-10, which requires business entities to provide certain disclosures when they (1) have received government assistance and (2) use a grant or contribution accounting model by analogy to other accounting guidance (e.g., a grant model under IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, or ASC 958-605, Not-For-Profit Entities — Revenue Recognition). The ASU created Topic 832 (on government assistance). Entities may apply the ASU's provisions either (1) prospectively to all transactions within the scope of ASC 832 that are reflected in the financial statements as of the adoption date and all new transactions entered into after the date of adoption or (2) retrospectively. We are currently evaluating the effect of adopting ASU 2021-10.

**NOTE 3 – GOODWILL AND OTHER INTANGIBLE ASSETS**

For the years ended December 31, 2021 and 2020, the Group concluded that no impairment existed for goodwill or trade names. The Group had accumulated impairment loss of goodwill in the amount of \$242.6 million and accumulated impairment loss of trade names in the amount of \$111.3 million as of December 31, 2021 and 2020. Accumulated amortization for goodwill, excluding impairments, was \$86.3 million and \$71.8 million as of December 31, 2021 and 2020, respectively. Accumulated amortization for customer relationships was \$279.4 million and \$258.3 million as of December 31, 2021 and 2020, respectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 3 – GOODWILL AND OTHER INTANGIBLE ASSETS (continued)**

The following table summarizes the estimates of useful life and accumulated amortization (if applicable) as of December 31, 2021 and 2020:

<i>In millions</i>	(a) Goodwill 10	Trade Names Indefinite	Customer Relationships 10 - 12	Patents Various
Useful Lives - Years				
Balance at January 1, 2020	\$ 102.9	\$ 169.3	\$ 116.7	\$ 0.8
Amortization	(14.5)	–	(26.9)	–
Foreign currency translation	14.9	2.2	0.6	–
Additions	4.5	–	–	–
Balance at December 31, 2020	\$ 107.8	\$ 171.5	\$ 90.4	\$ 0.8
Amortization	(14.5)	–	(23.5)	–
Foreign currency translation	(11.0)	(3.1)	(0.5)	–
Additions	24.2	–	–	–
Balance at December 31, 2021	\$ 106.5	\$ 168.4	\$ 66.4	\$ 0.8

(a) The weighted average useful life of goodwill is 7 years as of December 31, 2021 and 2020.

The following table presents estimated amortization of the customer-relationships intangible asset for each of the following five years:

<i>In millions</i>	<i>Customer Relationships</i>	<i>Goodwill</i>
<i>Year</i>		
2022	20.3	16.9
2023	17.3	16.9
2024	14.6	16.9
2025	13.0	16.9
2026	1.1	16.9

**NOTE 4 - LONG-TERM DEBT**

Since the initial Acquisition Date, the Group has maintained a consistent capital structure of a first and second lien debt, and a revolving credit facility, see additional details below of long-term debt at December 31, 2018. Subsequent to the acquisition of Gunnebo in May 2019, the Group refinanced its debt.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 4 - LONG-TERM DEBT (continued)**

On June 27, 2019, the Group and certain of its subsidiaries entered into (i) a first lien credit agreement (the "2019 First Lien Credit Agreement") providing for a \$475.0 million 7-year senior secured first lien term loan facility (the "2019 First Lien TL") and a 5-year multi-currency \$70.0 million revolving credit facility (the "2019 RCF") and (ii) a second lien credit agreement (the "2019 Second Lien Credit Agreement" and, collectively with the 2019 First Lien Credit Agreement, the "2019 Credit Agreements"), providing for a \$150.0 million 8-year Second Lien Term Loan facility (the "2019 Second Lien TL").

The 2019 RCF was not drawn as of December 31, 2020. Borrowing capacity under the 2019 RCF is expected to be available to supplement the Group's liquidity as may be necessary from time to time for ongoing working capital requirements and other general corporate purposes. The Group had available borrowing capacity under the 2019 RCF of \$66.4 million as of December 31, 2021 and 2020, which takes into account \$3.6 million of capacity utilized to secure letters of credit.

On August 14, 2015, the Group entered into a loan agreement (the "Longview Project Loan Agreement") providing for a 7-year secured loan facility not to exceed \$30.4 million (the "Longview Project Loan") in order to partially finance the project along with cash flow from operations. The Group makes \$0.5 million principal payments plus interest on a monthly basis until the maturity date of September 21, 2022.

Long-term debt at December 31, 2021 consisted of the following:

<i>In millions</i>	<i>Balance</i>	<i>Maturity</i>	<i>Interest Rate</i>
2019 First Lien TL(a)	\$463.1	June 27, 2026	4.84%
2019 Second Lien TL(b)	150.0	June 27, 2027	8.59%
Longview Project Loan(c)	4.5	September 21, 2022	3.1%
Other Debt	0.9	Various	
Total principal amount of debt	618.5		
Unamortized discount	(4.3)		
Unamortized debt issuance costs	(7.2)		
Total debt, net	<u>\$607.0</u>		
Current portion of long-term debt	\$9.3		
Long-term debt	\$597.7		

(a) The 2019 First Lien TL bears a rate of interest equal to LIBOR Rate, subject to a LIBOR floor of 0.0%, plus applicable margin, up to 4.75% depending on the Group's Leverage Ratio, as defined below.

(b) The 2019 Second Lien TL bears a rate of interest equal to the LIBOR Rate, subject to a LIBOR floor of 0.0%, plus applicable margin of 8.5%.

(c) The Longview Project Loan bears a rate of interest based on an Alternate Base Rate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 4 - LONG-TERM DEBT (continued)**

Long-term debt at December 31, 2020 consisted of the following:

<i>In millions</i>	<b>Balance</b>	<b>Maturity</b>	<b>Interest Rate</b>
2019 First Lien TL(a)	\$467.9	June 27, 2026	4.89%
2019 Second Lien TL(b)	150.0	June 27, 2027	8.64%
Longview Project Loan(c)	10.5	September 21, 2022	3.3%
Other Debt	3.3	Various	
Total principal amount of debt	631.7		
Unamortized discount	(5.1)		
Unamortized debt issuance costs	(8.6)		
Total debt, net	<u>\$618.0</u>		
Current portion of long-term debt	\$10.8		
Long-term debt	\$607.2		

(a) The 2019 First Lien TL bears a rate of interest equal to LIBOR Rate, subject to a LIBOR floor of 0.0%, plus applicable margin, up to 4.75% depending on the Group's Leverage Ratio, as defined below.

(b) The 2019 Second Lien TL bears a rate of interest equal to the LIBOR Rate, subject to a LIBOR floor of 0.0%, plus applicable margin of 8.5%.

(c) The Longview Project Loan bears a rate of interest based on an Alternate Base Rate.

*Principal Payments and Maturity*

The 2019 First Lien TL amortizes in equal quarterly installments of \$1.2 million, with the remaining unpaid principal balance due upon final maturity in June 2026. The 2019 Second Lien TL requires no principal payments prior to its maturity in June 2028. Starting in October 2017, the Longview Project Loan amortizes in equal monthly installment of \$0.5 million.

The following table presents the total principal amount of future scheduled maturities:

<i>In millions</i>	
<u>Year</u>	<u>Principal Due</u>
2022	9.3
2023	4.8
2024	4.8
2025	4.8
2026	443.9
Thereafter	150.0

Additionally, subject to certain exceptions and step-down provisions, the Group's borrowings under the 2019 First Lien TL and the 2019 Second Lien TL are subject to mandatory prepayment provisions, under which up to 50% of Excess Cash Flows, as defined in the Credit Agreements, and up to 100% of the net after-tax proceeds from dispositions of certain assets (subject to reinvestment rights) and incurrence of certain indebtedness must be used to repay the term loans.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 4 - LONG-TERM DEBT (continued)**

The 2019 First Lien Credit Agreement, 2019 Second Lien Credit Agreement, and Longview Project Loan Agreement allow the Group to make voluntary prepayments at any time, in whole or in part, with no penalty.

As market conditions warrant, the Group and its major equity holders, including KKR and its affiliates, may from time to time, seek to repurchase loans that the Group has borrowed, including the borrowings under the Senior Secured Credit Facilities, in privately negotiated or open market transactions or otherwise.

*Interest Rate*

Borrowings under the facilities may bear interest, at the Group's selection, based on the LIBOR Rate or ABR (Alternate Base Rate) plus an applicable margin, as defined in the 2019 First & 2019 Second Lien Credit Agreements and the Longview Project Loan Agreement. The Group has elected to initiate borrowings at the LIBOR Rate and intends to maintain this interest-rate structure in the foreseeable future. The LIBOR Rate applicable to the 2019 First Lien TL and the 2019 Second Lien TL is subject to a minimum floor of 0.00% per annum.

The following summarizes relevant factors to determining the interest-rate margin applicable to LIBOR-based borrowings under each of the credit facilities in effect:

- 2019 First Lien TL borrowings — a fixed margin of 4.75% applies.
- 2019 Second Lien TL borrowings — a fixed margin of 8.50% applies.
- 2019 RCF borrowings — applicable margin of 4.25% to 4.75%, based on the Consolidated First Lien Secured Debt to Consolidated EBITDA Ratio, as defined in the 2019 First Lien Credit Agreement (the "Leverage Ratio").
- Longview Project Loan — applicable margin of 3.00%.

The interest-rate margin applicable to 2019 RCF borrowings also represents the rate at which fees for letters of credit issued under the 2019 First Lien Credit Agreement accrue. In addition, the 2019 RCF commitment fee on unused committed capacity may be in the range of 0.25% to 0.50%, based upon the Leverage Ratio.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 4 - LONG-TERM DEBT (continued)**

The following table summarizes interest expense incurred (in millions):

	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>
Current debt, long-term debt and other(a)	\$ 37.8	\$ 49.7
Amortization of debt discount and issuance costs	2.2	2.1
Interest expense, net	<u>\$ 40.0</u>	<u>\$ 51.8</u>

<sup>(a)</sup> As discussed in Note 8, the Group previously entered into interest-rate derivatives to hedge a portion of its risk associated with variability in expected 2017-2020 interest payments on the First Lien TL.

*Deferred Financing Costs*

In connection with obtaining credit commitments provided for in the Credit Agreements, the Group incurred debt issuance costs of \$10.6 million, which were initially capitalized (and are reported as a component of long-term debt in the accompanying consolidated balance sheets) and are being amortized to interest expense over the term of the associated credit facilities.

*Covenants and Security*

The terms of the Credit Agreements provide for customary representations and warranties, conditions precedent, affirmative and negative covenants, and events of default. Pursuant to the 2019 First Lien Credit Agreement, should 2019 RCF utilization exceed 40%, the Group will be required to maintain the Leverage Ratio lower than specified limits, which is 6.25:1 for periods after March 31, 2020. Longview Project Loan borrowings are secured by the assets acquired for the Longview Project. The Group was in compliance with all applicable covenants as of December 31, 2020.

All obligations under the Credit Agreements are guaranteed by Crosby Worldwide Limited and each of its existing and future direct and indirect domestic subsidiaries that are not designated as unrestricted subsidiaries in accordance with the Credit Agreements (the "Guarantors"). All obligations under the Credit Agreements, including the guarantees of those obligations, are also secured by certain assets of the Group and the Guarantors.

The 2019 First Lien TL borrowings and 2019 RCF borrowings are secured by a first priority security interest, and 2019 Second Lien TL borrowings are secured by a second priority security interest, in substantially all of the Group's tangible and intangible assets located in the United States, and all of the capital stock of the Group's direct and indirect subsidiaries (or, in the case of foreign subsidiaries, 66% of the voting capital stock).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 5 - BALANCE SHEET DATA****Accounts Receivable**

Accounts receivable recognized in current assets included the following:

<u><i>In millions</i></u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Trade accounts receivable	\$ 63.8	\$ 49.2
Other receivables	1.0	1.3
	64.8	50.3
Less: allowance for doubtful accounts	(1.0)	(0.9)
Total accounts receivable	<u>\$ 63.8</u>	<u>\$ 49.6</u>

Accounts receivable are non-interest-bearing. Credit terms offered to customers vary based upon the country of operation but are generally between 30 and 90 days.

The carrying amount of trade accounts receivable includes an allowance for estimated uncollectible accounts, reflecting estimated credit losses.

The following table shows the change in the balance of the allowance for doubtful accounts for each of the reporting periods presented:

<u><i>In millions</i></u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Balance, beginning of period	\$ (0.9)	\$ (0.4)
Provision for uncollectible accounts	(0.1)	(0.5)
Balance, end of period	<u>\$ (1.0)</u>	<u>\$ (0.9)</u>

**Inventories**

Major categories of inventories included the following:

<u><i>In millions</i></u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Finished goods	\$ 44.6	\$ 44.8
Work in process	45.3	38.9
Raw materials	24.3	25.5
Total inventories	<u>\$ 114.2</u>	<u>\$ 109.2</u>

Approximately 54% of the Group's inventories are valued under the LIFO method of accounting for which a reserve a \$9.6 million and \$4.6 million existed as of December 31, 2021 and 2020, respectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 5 - BALANCE SHEET DATA (continued)****Property, Plant and Equipment, Net**

The following table presents the historical cost and accumulated reserve for depreciation and impairment by major class of property, plant, and equipment as of:

<i>In millions</i>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Land	\$ 5.9	\$ 5.4
Buildings	31.6	31.6
Machinery and equipment	210.2	204.9
Construction in progress	8.7	5.7
Total property, plant and equipment	256.4	247.6
Less: Accumulated depreciation	(135.0)	(119.2)
Property, plant and equipment, net	<u>\$ 121.4</u>	<u>\$ 128.4</u>

Depreciation expense totaled \$20.2 million and \$20.0 million for the years ended December 31, 2021 and 2020, respectively.

**Other Non-current Assets**

The following table presents the composition of other non-current assets. Additional information about the Group's debt, environmental costs subject to reimbursement is provided in Notes 6.

<i>In millions</i>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Non-trade receivable	\$ 1.2	\$ 1.0
Reimbursement receivable - asbestos claims	19.4	22.4
Reimbursement receivable - environmental <sup>(a)</sup>	0.5	0.5
Reimbursement receivable -warranty and product liability	0.9	0.6
Prepaid pension cost	3.9	2.3
Deferred tax asset	2.1	-
Equity method investment	3.7	-
Total other non-current assets	<u>\$ 31.7</u>	<u>\$ 26.8</u>

(a) In addition, a current portion of reimbursements receivable for environmental remediation costs of \$0.4 million as of December 31, 2021 and 2020 is included in other receivables.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 5 - BALANCE SHEET DATA (continued)****Accrued Expenses and Other Current Liabilities**

Major components of accrued expenses and other current liabilities were as follows:

<i>In millions</i>	December 31, 2021	December 31, 2020
Employee-related costs	\$ 22	\$ 18.8
Accrued environmental and legal contingencies	0.9	1.0
Accrued interest	0.9	0.9
Accrued warranty and product liability	1.6	1.4
Other	9.8	8.1
Total accrued expenses and other current liabilities	<u>\$ 35.2</u>	<u>\$ 30.2</u>

**Other Non-current Liabilities**

Other non-current liabilities by category were as follows:

<i>In millions</i>	December 31, 2021	December 31, 2020
Accrued environmental and legal contingencies	\$ 19.1	\$ 22.3
Income taxes payable	0.8	0.8
New Market Tax Credit Program (Note 14)	9.7	9.7
Other	0.4	1.2
Total other non-current liabilities	<u>\$ 30.0</u>	<u>\$ 34.0</u>

**NOTE 6 - ENVIRONMENTAL AND LEGAL OBLIGATIONS**

Certain of the Group's subsidiaries are subject to presently known and possible future losses and obligations for environmental remediation and personal injury claims, including those as a result of alleged exposure to asbestos-containing products. The table below summarizes Group's environmental remediation liabilities, the estimated future costs of defense and resolution of personal injury claims and related litigation, as well as the associated estimates of costs recoverable from unrelated third parties. The measurement basis for these liabilities and assets uses estimates of expected losses or cost recoveries, as applicable, that are probable of being incurred or realized and that are estimable.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 6 - ENVIRONMENTAL AND LEGAL OBLIGATIONS (continued)**

<i>In millions</i>	Liabilities				Reimbursement Receivable
	Environmental	Asbestos	Other Legal Obligations	Total	
<b>Balance, January 1, 2020</b>	\$ 6.0	\$ 19.7	\$ -	\$ 25.7	\$ 25.0
Payments	(0.0)	(0.4)	-	(0.4)	(0.3)
Provisions and accruals	(2.0)	0.0	-	(2.0)	(1.4)
<b>Balance, December 31, 2020</b>	\$ 4.0	\$ 19.3	\$ -	\$ 23.3	\$ 23.3
Payments	(0.2)	(0.1)	-	(0.3)	-
Provisions and accruals	-	(3.0)	-	(3.0)	(3.0)
<b>Balance, December 31, 2021</b>	\$ 3.8	\$ 16.2	\$ -	\$ 20.0	\$20.3
<b>Current</b>	\$ 0.4	\$ 0.5	\$ -	\$ 0.9	\$ 0.4
<b>Non-current</b>	\$ 3.4	\$ 15.7	\$ -	\$ 19.1	\$ 19.9

*Environmental*

Certain of the Group's subsidiaries are involved in environmental remediation efforts related to formerly owned or operated properties and certain third-party owned landfill sites, as they are responsible, or alleged to be responsible, for ongoing environmental investigation and remediation of these sites. These sites are in various stages of investigation and/or remediation, and associated costs and liabilities are recognized by the Group, considering current developments, the law and existing technologies. It can be difficult to reliably estimate the final costs of investigation and remediation due to various factors.

These factors include, but are not limited to: an early stage of investigation for some sites, which increases uncertainty with respect to applicable regulatory requirements and duration, scope and cost of the remedial work; evolving laws and regulations affecting the scope of planned remedial effort and technologies applied; an early stage of certain legal analyses, such as the existence and financial condition of other potentially responsible parties subject to joint and several liability for remediation on certain sites; possible identification of additional volumes of contamination at known sites; and general changes in the cost of labor, materials and equipment planned to be employed in remedial work.

The Group recognized a liability associated with a formerly owned industrial manufacturing operations site where investigation and environmental assessment identified releases of certain contaminants in the soil and groundwater on, in and around the site. At December 31, 2021, and 2020, the carrying amounts of the liability were \$0.9 million and \$0.9 million, respectively. These amounts primarily represent the estimated costs of site monitoring and management activities as remediation activities were substantially completed in 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 6 - ENVIRONMENTAL AND LEGAL OBLIGATIONS (continued)**

The environmental exposure at this site is insured by third-party insurance companies that are managing ongoing feasibility evaluation and remediation activities and are paying directly the associated costs on behalf of the Group. The carrying amount of the insurance recoverable probable of being realized for this site was \$0.9 million as of December 31, 2021, and was \$0.9 million at December 31, 2020.

The Group has recognized \$0.4 million and \$0.5 million of environmental liability as of December 31, 2021 and 2020 respectively, related to a single former landfill site where the Group's subsidiary and four other unrelated third parties, have accepted liability for remediating environmental contamination.

Additionally, the Group has recognized an environmental liability related to ongoing environmental remediation efforts at a formerly owned site. At this time, the remediation obligations are voluntary. The carrying amount of this liability is \$1.9 million as of December 31, 2021 and 2020.

*Asbestos*

From time to time, certain subsidiaries of the Group, along with a number of unrelated third parties, are named as defendants in personal injury claims and lawsuits based on alleged exposure to asbestos-containing materials. The Group monitors claims filing and development experience and periodically updates the estimated cost of defending against and resolving these claims. At December 31, 2021, and 2020, the Group estimated the asbestos liability of \$16.2 million and \$19.3 million, respectively, to represent a reasonable estimate of the remaining remediation costs.

Certain of the Group's subsidiaries subject to asbestos-related personal injury claims have maintained product liability insurance policies. Certain of these policies provide a source of probable recovery of a portion of losses incurred and paid, as well as a portion of estimated probable future losses accrued as of December 31, 2021. An additional source of probable recovery of uninsured losses is an unrelated third party which manufactured component products for the Group's subsidiaries that are alleged to give rise to asbestos-related injuries. At December 31, 2021, and 2020, the Group estimated the probable amount of losses to be recovered from insurance and/or unrelated third parties to be \$19.4 million and \$22.4 million respectively.

*Other Legal Obligations*

The Group, through its subsidiaries, is subject to other litigation from time to time in connection with certain former and current operations and maintains a liability for estimated probable costs of legal defense associated with matters that occurred prior to the balance sheet date. Management does not expect these pending legal matters to have a material impact on the Group's results of operations or cash flows.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 7 - RETIREMENT PLANS**

The Group sponsors a variety of defined contribution and defined benefit plans as discussed below.

*Defined Contribution Savings Plans*

The Group sponsors a number of savings plans that provide certain eligible employees an opportunity to accumulate funds for retirement. The Group matches the contributions of participating employees on the basis specified by each plan. The Group's cost associated with these plans totaled \$1.7 million and \$1.2 million for the years ended December 31, 2021 and 2020, respectively.

*Defined Benefit Plans*

The Group sponsors a number of defined benefit pension plans covering eligible current and former employees. The Group's funded and unfunded pension plans, all of which are closed to new entrants and in which existing participants no longer accrue benefits, except for in Sweden, include:

- The Pension Plan of FKI Industries Inc. for United Steelworkers of America (funded)
- The Trambeam Corporation Hourly Retirement Plan (funded)
- FKI Canada Group Pension Plan (funded and being wound up)
- Crosby Canada Salaried Pension Plan (funded and being wound up, with all liabilities having been paid and residual assets remaining in the trust)
- FKI Canada Excess Pension Plan (unfunded)
- The Rhombus Rollen GmbH Pension Plan (unfunded)
- Gunnebo Industrier Aktiebolag Swedish Pension Plan (unfunded)

In addition to these plans, the Group's Canadian subsidiary has a retirement benefit obligation to eligible employees for an early retirement benefit provided by the terms of a collective bargaining agreement.

*Plan Assets*

Plan assets are managed in the long-term interests of the plan participants and beneficiaries. The Group seeks to generate a return on invested plan assets which is based on levels of liquidity and investment risk that are prudent and reasonable, given prevailing market conditions. Strategic and tactical asset allocation targets reflect the desired balance between investment return and risk, as well as the expected asset performance by major asset class over the investment horizon. Investment strategy is implemented with the assistance of independent diversified professional investment management organizations.

The target asset allocation for the FKI Canada Group Pension Plan and the Crosby Canada Salaried Pension Plan is 100% cash equivalents.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 7 - RETIREMENT PLANS (continued)**

The target allocation of plan assets for The Pension Plan of FKI Industries Inc. United Steelworkers of America and The Trambeam Corporation Hourly Retirement Plan is 10% in equity securities (including 5.1% in publicly-traded equity securities of companies in the real estate industry) and 90% in debt securities.

In executing its investment policy, the Group may use a variety of investment products to gain exposure to a particular asset class, including direct investment in securities of a particular asset class (such as a direct investment in listed equity securities) or by investing in common/collective trust funds or mutual funds that themselves invest in securities of a particular asset class.

Securities held directly are valued using unadjusted quoted market prices (and are categorized as Level 1 in the fair-value hierarchy), while investments in common/collective trust funds are valued at the net asset value of the fund (as determined by the fund manager, without further adjustment by the Group), which is based on the fair value of the underlying assets owned by the fund, most of which are traded in active markets and have quoted market prices, while others are valued by reference to securities with similar characteristics that are traded in active markets (and are categorized as Level 2 in the fair-value hierarchy).

The fair value of the Group's pension plan assets by asset class and input level within the fair-value hierarchy were as follows:

<i>In millions</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash equivalents	\$ –	\$ 6.0	\$ –	\$6.0
Equity securities	–	17.9	–	17.9
Fixed income securities	–	11.8	–	11.8
<b>December 31, 2020</b>	<b>\$ –</b>	<b>\$ 35.7</b>	<b>\$ –</b>	<b>\$ 35.7</b>
Cash equivalents	\$ –	\$ 1.9	\$ –	\$ 1.9
Equity securities	–	3.0	–	3.0
Fixed income securities	–	26.7	–	26.7
<b>December 31, 2021</b>	<b>\$ –</b>	<b>\$ 31.6</b>	<b>\$ –</b>	<b>\$ 31.6</b>

*Funding Policy and Cash Flows*

The Group monitors the funded status of its funded pension plans to ensure that plan funds are sufficient to continue paying benefits. The Group's funding policy is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws, plus any additional amounts management determines to be appropriate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 7 - RETIREMENT PLANS (continued)**

The Group's subsidiaries sponsoring employee benefit plans made no contributions to the funded pension plans and \$0.7 million and \$0.7 million to the unfunded pension plans during the years ended December 31, 2021 and 2020, respectively. Contributions to funded plans increase plan assets, while contributions to unfunded plans are used to fund current benefit payments. The Group expects to contribute \$0.7 million to its pension plans in 2022.

Estimated pension benefits expected to be paid to participants are as follows (in millions):

2022	\$ 3.0
2023	2.9
2024	2.9
2025	2.8
2026	2.7
2027 - 2030	12.1

*Funded Status and Pension Cost*

The following sets forth changes in the projected benefit obligations and fair value of plan assets for the Group's pension plans for each period presented:

<u><i>In millions</i></u>	<u>Year Ended December 31, 2021</u>	<u>Year Ended December 31, 2020</u>
<b>Change in Projected Benefit Obligations</b>		
Benefit obligations, beginning of period	\$ 49	\$ 47.1
Service cost	0.2	0.2
Interest cost	0.6	1.0
Actuarial gain (loss)	(0.7)	2.1
Benefits paid	(3.5)	(3.2)
Settlements	(3.3)	—
Foreign currency translation and other	(1.2)	1.8
Benefit obligations, end of period	<u>\$ 41.1</u>	<u>\$ 49.0</u>
<b>Change in Fair Value of Plan Assets</b>		
Plan assets, beginning of period	\$ 35.5	\$ 34.8
Actual return on plan assets	2.1	3.3
Employer contributions	0.1	0.1
Benefits paid	(6.2)	(2.8)
Foreign currency translation and other	0.1	0.1
Plan assets, end of period	<u>\$ 31.6</u>	<u>\$ 35.5</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 7 - RETIREMENT PLANS (continued)**

Funded status of the plans (fair value of plan assets less projected benefit obligations) and total amounts recognized in the consolidated balance sheets were as follows:

<u><i>In millions</i></u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Funded status	<u>\$ (9.5)</u>	<u>\$ (13.4)</u>
Other non-current assets	2.0	2.3
Current liabilities	(0.7)	(0.7)
Other non-current liabilities- retirement benefit obligations	(10.8)	(15.0)
Total	<u>\$ (9.5)</u>	<u>\$ (13.4)</u>

The following summarizes the aggregate projected benefit obligations and plan assets for the Group's unfunded and underfunded pension plans:

<u><i>In millions</i></u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Projected benefit obligation	\$ (41.3)	\$ (45.4)
Fair value of plan assets	\$ 29.7	\$ 29.7

The following presents the components of net periodic pension cost for the Group's retirement plans:

<u><i>In millions</i></u>	<u>Year Ended December 31, 2021</u>	<u>Year Ended December 31, 2020</u>
Current Service Cost	0.2	0.2
Interest cost	0.6	1.0
Expected return on plan assets	(1.5)	(1.8)
Recognized loss	0.2	0.2
Settlement gain	1.2	-
Net periodic pension benefit	<u>\$ (0.6)</u>	<u>\$ (0.4)</u>

*Actuarial Assumptions*

The following summarizes the weighted-average discount-rate assumptions used by the Group in determining the pension benefit obligations:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
U.S. plans	2.49%	2.06%
Canadian plans	2.85%	2.97%
European plan	0.90%	1.23%
Sweden plan	1.00%	1.50%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 7 - RETIREMENT PLANS (continued)**

The following summarizes the weighted-average assumptions used by the Group in determining the net periodic pension cost. The assumed long-term rate of return on plan assets reflects capital-market projections by asset class and actual and long-term target asset allocation, taking into account historical return trends and current market conditions.

	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>U.S. Plans</b>		
Discount rate	2.06%	2.93%
Expected long-term rate of return	3.35%	5.25%
<b>Canadian Plans</b>		
Discount rate	2.30%	2.97%
Expected long-term rate of return	0.00%	1.00%
<b>European Plan</b>		
Discount rate	0.90%	0.23%
Expected long-term rate of return	N/A	N/A
<b>Sweden Plan</b>		
Discount rate	1.00%	1.50%
Expected long-term rate of return	N/A	N/A

**NOTE 8 – EQUITY***Issuance of common stock*

The Company was incorporated on October 29, 2013 with a share capital of \$ 25,000.00 divided into 2,500,000 shares with a par value of \$ 0.01. The subscribed capital was paid in cash.

In its extraordinary meeting held on November 22, 2013, the Sole Partner resolved to increase the issued share capital of the Company by an amount of \$ 16,322.50 by issuing 1,632,250 new shares with a nominal value of \$ 0.01 each. An aggregate amount of \$ 4,090,927.50 has been allocated to the additional paid-in capital. The Sole Partner subscribed for the new shares and related distributable additional paid-in capital through a contribution in kind consisting of an uncontested and freely transferable claim held by the Sole Partner against the Company.

In its extraordinary meeting held on May 17, 2019, the Sole Partner resolved to increase the issued share capital of the Company by an amount of \$ 10,279,842.02 by issuing 1,027,984,202 new shares with a nominal value of \$ 0,01 each. An aggregate amount of \$ 64,720,157.98 has been allocated to the additional paid-in capital. The Sole Partner subscribed for the new shares and related distributable share premium through a contribution in cash.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 8 - PARTNERS' EQUITY (continued)**

On May 23, 2019, the Sole Partner contributed an amount of \$ 24.079.395,23 in cash to the Company's additional paid-in capital.

On November 5, 2019, the Sole Partner contributed an amount of \$ 150.000,00 in cash to the Company's additional paid-in capital.

As at December 31, 2021 and 2020, the subscribed and fully paid capital amounts to \$ 10.321.164,52 and is represented by 1.032.116.452 shares with a nominal value of \$ 0,01 per share.

As at December 31, 2021 and 2020, the additional paid-in capital amounts to \$ 93.040.480,71.

*Other equity reserve*

On November 21, 2013, the Company issued 21.532.500.000 Convertible Preferred Equity Certificates (CPECs) to its Sole Partner for an aggregate amount of \$ 215,325 million with a par value of \$ 0,01 each.

On the same day, the Company issued 19.431.775.000 Yield Free Convertible Preferred Equity Certificates (YFCPECs) to its Sole Partner for an aggregate amount of \$ 194,318 million with a par value of \$ 0,01 each.

Based on the subscription agreement of the CPECs, the yield on a CPEC in respect of an accrual period is calculated at the applicable rate on the aggregate of the par value of the CPEC and any unpaid yield on that CPEC and shall accrue daily and may be paid, at the discretion of the Board of Managers on the yield payment date in respect of the relevant accrual period or at such other time or times as the Board of Managers may determine.

Applicable rate means a rate equal to 9,5 per cent per annum, less a margin as determined from time to time by the Board of Managers, computed on a 365/366-day year and the actual number of days elapsed. Any yield in respect of an accrual period which is not paid on the yield payment date in respect of that accrual period will accumulate and to the extent permitted by Luxembourg law be compounded.

Unpaid yield for any past accrual period may be paid on the CPECs on any date fixed by the Board of Managers and any payments of CPEC yield made on the CPECs shall first be applied against the unpaid yield accrued with respect to the earliest accrual period for which the yield has not been paid in full.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 8 - PARTNERS' EQUITY (continued)**

The maturity date of both, the CPECs has been set at November 21, 2043. Subject to any applicable statutory exceptions, the CPECs shall, with respect to payment rights, redemption rights and rights upon and following Liquidation:

- rank prior to all Subordinated Securities;
- rank *pari passu* with all Pari Passu Securities;
- be subordinated to all Prior Ranking Securities.

The Nominal, capitalized interest and interest expense on CPECs is recognized as equity.

The obligation of the Company to make payment in respect of the CPECs to the Sole Partner are, at any time of determination, limited to the available funds of the Company and determined after payment of or such provision as the Board of managers may in its absolute discretion think is appropriate in respect of all prior ranking securities and all *pari passu* securities.

Furthermore, the Company is not obliged to make any payment to the Sole Partner in respect of their CPECs if the Company is or would become insolvent or bankrupt as a result of such payment.

On May 23, 2019, the Company converted all the 19.050.923.059 YFCPECs for an aggregate amount of USD 190.509.230,59, with a par value of USD 0,01 each, into 19.050.923.059 CPECs with a par value of USD 0,01 each.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 8 - PARTNERS' EQUITY (continued)**

The Convertible Preferred Equity Certificates at December 31, 2021 consisted of the following:

	2021 Number of CPECs	2021 Total USD	2020 Total USD
Nominal value at the beginning of the financial year	44.444.982.877	623.871.337	605.694.912,48
Additions during the financial year	-	-	-
Accrued interest capitalized as per payment date	-	18.710.395,95	18.176.424,17
Redemptions during the financial year	-	-	-
<b>Nominal value CPECs including accrued interest capitalized as at year end</b>	<b>44.444.982.877</b>	<b>642.581.732,60</b>	<b>623.871.336,65</b>
Accrued interest at the beginning of the financial year	-	2.096.616,79	2.041.108,88
Accrued interest during the financial year	-	18.779.191,57	18.231.932,08
Accrued interest capitalized as per payment date	-	-18.710.395,95	-18.176.424,17
Payments during the financial year	-	-	-
<b>Book value as at year end</b>	<b>-</b>	<b>2.165.412,41</b>	<b>2.096.616,79</b>
<b>TOTAL</b>	<b>44.444.982.877</b>	<b>644.747.145,01</b>	<b>625.967.953,44</b>

*Non-controlling interest*

In 2014, certain Group companies approved a management equity program (the "MEP") pursuant to which certain employees, directors, and consultants of the Group (the "Participants") purchased the MEP shares of common stock and were issued options to purchase additional shares of common stock. Pursuant to the MEP, during 2021, the Participants (i) purchased a total of 71,700 shares of common stock for an aggregate consideration of \$0.5 million and (ii) were issued a total of 606,222 options to purchase shares of common stock at a strike price of \$6.65. During 2020, the Participants (i) purchased a total of 513,830 shares of common stock for an aggregate consideration of \$0.7 million and (ii) were issued a total of 5,261,654 options to purchase shares of common stock at a strike price of \$5.62. A total of 10,531,828 and 10,742,928 options were outstanding as of December 31, 2021 and 2020, respectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 8 - PARTNERS' EQUITY (continued)**

In addition, 1,388,993 shares were issued in connection with acquisition in 2021 at an aggregate value of approximately \$9.3 million in connection with acquisition. Pursuant to the MEP, the Group repurchased common shares from Participants who subsequently left the Group and withdrew from the Plan. During 2021, the Group repurchased a total of 250,907 shares of common stock for an aggregate consideration of \$1.3 million. During 2020, the Company repurchased a total of 57,342 shares of common stock for an aggregate consideration of \$0.3 million.

**NOTE 9 - OTHER COMPREHENSIVE INCOME (LOSS)**

Accumulated other comprehensive income (loss) balance (net of tax) and components of other comprehensive loss were as follows:

<i>In millions</i>	Pre-Tax	Tax	After-tax
<b>Balance, January 1, 2020</b>			<u>\$ (43.9)</u>
Foreign currency translation income	\$23.2	\$ -	23.2
Cash settlements for interest rate hedges	7.7	(1.8)	5.9
Net unrealized loss on interest rate hedges	(1.4)	0.3	(1.1)
Net actuarial gain incurred during the period	1.9	(0.4)	1.5
Change in other comprehensive income (loss)	<u>\$31.4</u>	<u>\$(1.9)</u>	<u>\$29.5</u>
<b>Balance, December 31, 2020</b>			<u>\$ (14.4)</u>
Foreign currency translation loss	\$(16.9)	\$ -	(16.9)
Net actuarial gain incurred during the period	2.6	(0.6)	2.0
Change in other comprehensive income (loss)	<u>\$(14.3)</u>	<u>\$(0.6)</u>	<u>\$(14.9)</u>
<b>Balance, December 31, 2021</b>			<u><u>\$ (29.3)</u></u>

Components of accumulated other comprehensive income (loss), net of applicable tax effects, were as follows:

<i>In millions</i>	December 31, 2021	December 31, 2020
Foreign currency translation loss	\$(29.0)	\$(12.1)
Net actuarial loss	(0.6)	(2.6)
Accumulated other comprehensive loss	<u>\$(29.6)</u>	<u>\$(14.7)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 10 - INCOME TAX**

The components of pre-tax income (loss) are as follows:

<i>In millions</i>	Year Ended December 31, 2021	Year Ended December 31, 2020
U.S.	\$(24.7)	\$(54.2)
Europe excluding U.K.	(7.3)	(2.8)
Canada	(1.6)	(0.7)
U.K. and other	4.4	(0.1)
Total pre-tax loss	<u>\$(29.2)</u>	<u>\$(57.8)</u>

The (benefit) expense for income taxes by taxing jurisdiction consisted of the following:

<i>In millions</i>	Year Ended December 31, 2021	Year Ended December 31, 2020
Current income tax expense:		
U.S.	\$5.6	\$(0.3)
Europe excluding U.K.	3.0	1.8
Canada	0.2	0.5
U.K. and other	1.0	0.8
Total current income tax expense	<u>9.8</u>	<u>2.8</u>
Deferred income tax benefit:		
U.S.	(3.4)	(4.4)
Europe excluding U.K.	(3.3)	(1.9)
Canada	(0.5)	(0.7)
U.K. and other	(0.5)	(0.3)
Total deferred income tax benefit	<u>(7.7)</u>	<u>(7.3)</u>
Total income tax (benefit) expense	<u>\$2.1</u>	<u>\$(4.5)</u>

Total income tax (benefit) expense differed from the amounts computed by applying the U.S. federal statutory income tax rate to income (loss) before income taxes. The following summarizes the sources of these differences for each period presented:

<i>In percentages</i>	Year Ended December 31, 2021	Year Ended December 31, 2020
Notional U.S. statutory tax rate	21.0 %	21.0 %
Adjustments:		
Impact of non – U.S. earnings	0.6	0.4
Permanent differences	(0.2)	0.2
Net FDII deduction	1.3	0.3
Goodwill Amortization	(10.5)	(5.4)
Valuation Allowance	(13.8)	(9.4)
U.S. state income taxes	(4.1)	0.6
Prior year tax adjustments	(2.5)	1.0
Other	0.9	(0.9)
Estimated effective tax rate	<u>(7.3) %</u>	<u>7.8 %</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 10 - INCOME TAX (continued)**

The Group is subject to Internal Revenue Code 163(j) which limits our deduction for net interest expense that exceeds 50% of adjusted taxable income for the tax year. Our interest expense was limited by \$23.1 million for 2021 which increased our disallowed interest carryforward at December 31, 2021 to \$107.4 million or \$25.7 million tax-effected.

*Provision for Uncertain Tax Positions*

The Group files income tax returns in various jurisdictions worldwide. The tax years open for examination for U.S. Federal income tax purposes are the tax years ended December 31, 2018 through 2020. Non – U.S. federal jurisdictions' statutes of limitations generally expire in a four to six-year time frame. For state tax purposes, the statute of limitations varies by jurisdiction with potential open years for the tax years ended December 31, 2015 through 2019.

A reconciliation of the unrecognized tax benefits is as follows:

<i>In millions</i>	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>
<b>Balance, beginning of period</b>	\$ 3.7	\$ 3.7
Increases for new tax positions taken	-	-
Decreases due to lapse of statute of limitations	-	-
Decreases for change in estimates	-	-
<b>Balance, end of period</b>	<b>\$ 3.7</b>	<b>\$ 3.7</b>

The total amount of unrecognized tax benefit as of December 31, 2021 and 2020 was \$3.7 million, all of which, if recognized, would affect the effective tax rate and income tax expense.

While open tax years remain subject to audit, the Group considers it reasonably possible that issues may be raised by tax authorities resulting in increases to the balance of unrecognized tax benefits. However, an estimate of such an increase cannot be made at this time. Nevertheless, the Group believes it is adequately reserved for its uncertain tax positions as of December 31, 2021.

The Group recognizes interest and penalties accrued relating to unrecognized tax benefits as a component of income tax expense. The amount of interest and penalties included in the December 31, 2021 and 2020 statement of operations were \$0.01 million, and there were no amounts in the December 31, 2021 and 2020 consolidated balance sheets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 10 - INCOME TAX (continued)***Deferred Taxes*

The following summarizes tax effects of temporary differences that give rise to significant components of deferred tax assets (liabilities) as of:

<u><i>In millions</i></u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Deferred tax assets:		
Interest carry-forwards	\$ 25.7	\$ 20.5
Transaction costs	1.5	1.7
Retirement benefit obligations	0.1	0.8
Employee compensation	0.3	0.4
Environmental remediation liabilities	(0.1)	-
Net operating losses	26.1	26.9
Foreign tax credits	5.3	6.2
Other (DTA)	1.1	1.1
Less: valuation allowance	(52.4)	(50.0)
Gross deferred tax assets	<u>7.6</u>	<u>7.6</u>
Deferred tax liabilities:		
Inventory	\$ (1.6)	\$ (2.2)
Fixed asset provisions	(15.5)	(17.1)
Intangible assets	(55.8)	(62.2)
Other (DTL)	(0.8)	(0.6)
Gross deferred tax liabilities	<u>(73.7)</u>	<u>(82.1)</u>
Net deferred tax liabilities	<u>\$ (66.1)</u>	<u>\$ (74.5)</u>

As of December 31, 2021 and 2020, the Group had a valuation allowance of \$52.4 million and \$50.0 million, respectively, to reduce its deferred tax assets to estimated realizable value. The overall change in the valuation allowance is primarily attributable to interest expense carryforwards. The valuation allowance relates to \$5.3 million of U.S. Federal foreign tax credit carryforwards, \$25.7 million of interest expense carryforwards, \$2.6 million of net deferred tax asset for Gunnebo US which is not part of the Group's consolidated US federal and state filings, \$3.6 million of state net operating losses, \$14.2 million of net operating losses and pension liabilities in Germany, \$0.9 million related to other foreign jurisdictions against which management considers there is insufficient certainty of future taxable income and, therefore, it is not more likely than not that the deferred tax asset will be realized. The amount of the deferred tax asset considered realizable could be adjusted in the future if relevant circumstances change.

As of December 31, 2021, the Group had \$9.3 million of U.S. Federal net operating losses ("NOLs") of which \$4.6 million will begin to expire in 2037 and the remaining amount of \$4.7 million has an indefinite carryforward period, \$66.8 million of U.S. State net operating losses, which will begin to expire in 2022 and foreign tax credits of \$5.3 million, which begin to expire in 2026. NOLs of \$50.2 million in Germany, \$4.3 million in France, and \$6.0 million in other countries have an unlimited carryforward period.

Ascend Investments S.à r.l.  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the Years Ended December 31, 2021 and 2020

**NOTE 11 - INCOME TAX (continued)**

The Group does not assert permanent re-investment of the earnings of its foreign subsidiaries. Due to the significant decline in the net equity of the foreign subsidiaries, impairments to goodwill and intangibles, the 2016 repatriation of cash, as well as the inclusion in U.S. taxable income of all previously untaxed foreign earnings and profits under H.R. 1, commonly known as the Tax Cuts and Jobs Act (“2017 Act”), there is no deferred tax liability recorded for the outside basis difference in the stock of any foreign subsidiaries.

**NOTE 12 - RELATED PARTY TRANSACTIONS**

**Transactions with KKR**

*Monitoring Fee Agreement*

The Group engaged KKR to provide management, consulting and financial services for an annual advisory fee of \$1.0 million (“Advisory Fee”). In the event of any future transactions (acquisition, divestiture, or a capital-raising transaction), the Group may be charged an additional customary transaction fee for structuring, financial and other advisory services provided by KKR in connection with such transaction. The Group may terminate the agreement after KKR and its affiliates no longer hold any equity interest in the Group. Should the Group terminate the agreement upon a Change of Control as defined in the agreement, it will owe KKR and affiliates the net present value of the annual Advisory Fees that would have been due for the period from such termination to December 31, 2023. The Group had unpaid Advisory Fees of \$6.0 million and \$5.0 million as of December 31, 2021 and 2020, respectively.

*Other*

An affiliate of KKR was one of the initial lenders under the Group’s Credit Agreements discussed in Note 4 and, therefore, received underwriting fees and original issue discount of \$3.4 million upon executing the agreements and initiating the associated extension of credit. This affiliate has since conveyed its participation in the Group’s credit facilities to unrelated third parties and was not a participating lender in any of the Group’s credit facilities as of December 31, 2013.

2022112502074

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 12 - RELATED PARTY TRANSACTIONS (continued)**

*Issuance of Convertible Preferred Equity Certificates*

As described in Note 8, on November 21, 2013 the Company issued 21,532,500,000 Convertible Preferred Equity Certificates to its Sole Partner for an aggregate amount of \$ 281.9 million with a par value of \$ 0.01 each. On the same day, the Company issued 19,431,775,000 Yield Free Convertible Preferred Equity Certificates (YFCPECs) to its Sole Partner for an aggregate amount of \$194.3 million with a par value of \$0.01 each.

In 2017, the Company converted in total 380,851,941 YFCPECs into CPECs for an aggregate amount of \$ 3.8 million resulting in a total amount of 21,913,351,941 issued CPECs.

On May 23, 2019, the Sole Partner subscribed to 3.480.707.877 newly issued CPECs for an aggregate amount of \$ 34.8 million.

On the same day, the Company converted 19.050.923.059 YFCPECs for an aggregate amount of \$ 190.5 million, with a par value of \$ 0,01 each, into 19.050.923.059 CPECs with a par value of \$ 0,01 each.

As at December 31, 2021 and 2020, the CPEC amount to \$ 642.6 million (2020: \$ 623.9 million) and the accrued interest on the CPECs amounts to \$ 2.2 million (2020: \$ 2.1 million).

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

*Operating Leases*

As of December 31, 2021, the Group was committed under operating leases which expire at various dates. The minimum lease payments under non-cancellable operating leases are \$3.6 million in 2022, \$2.9 million in 2023, \$2.3 million in 2024, \$1.4 million in 2025, \$6.4 million thereafter.

Total rent expense, included in cost of sales, selling, distribution and administrative expenses, under operating leases was \$ 3.7 million and \$4.1 million for the years ended December 31, 2021 and 2020, respectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (continued)**

*Commitments and Contingencies*

In addition to the matters described above and in Note 6, from time to time, the Group is subject to disputes, administrative proceedings and other claims arising from the normal conduct of its business. These matters generally relate to disputes arising from the use or installation of its products, product liability litigation, personal injury claims, commercial and contract disputes and employment-related matters. On the basis of information currently available to it, management does not believe that existing proceedings and claims will have a material impact on the Group's financial condition, results of operations or cash flows. However, litigation is unpredictable, and the Group could incur judgments or enter into settlements for current or future claims that could result in currently unanticipated adverse effects.

*Guarantees*

As of December 31, 2021, the Group had outstanding standby letters of credit and guarantees with various banks in the amount of \$3.6 million, which reduced borrowing availability under the RCF as discussed in Note 4, providing security for the Group's performance of various obligations. These obligations are primarily in respect of the recoverability of insurance claims, lease obligations and supply commitments.

**NOTE 14 - NEW MARKETS TAX CREDITS**

During the second quarter of 2017, the Group received approximately \$9.7 million in net proceeds from tax credits related to its investment in its Longview, Texas facility. As part of such tax credit agreement, an offsetting contingent liability was recorded, which is expected to be discharged in 2024 once certain events transpire.

The Group entered into a financing transaction with Wells Fargo Community Investment Holdings, LLC (Wells Fargo) related to the modernization project at the Group's plant in Longview, Texas, in which Wells Fargo made a capital contribution and the Group made a loan to the Investment Fund under a qualified New Markets Tax Credit, or "NMTC," program. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000, or the "Act," and is intended to induce capital investment in qualified lower income communities. The Act permits taxpayers to claim credits against their Federal income taxes for up to 39% of qualified investments in the equity of community development entities, or "CDEs." CDEs are privately managed investment institutions that are certified to make qualified low-income community investments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 14 - NEW MARKETS TAX CREDITS (continued)**

As a result of a series of simultaneous financing transactions, Wells Fargo contributed capital of \$11.9 million to the Investment Fund, and FKI Industries, Inc., a subsidiary of the Group, loaned the principal amount of \$24.9 million to the Investment Fund. The Investment Fund then contributed the proceeds to certain CDEs, which, in turn, loaned the proceeds of \$36.0 million to The Crosby Group, LLC. Wells Fargo will be entitled to claim the NMTC while the Group effectively received net proceeds equal to Wells Fargo's contribution to the Investment Fund, or approximately \$9.7 million. Additionally, financing costs incurred in structuring the arrangement amounting to \$2.2 million were deferred and will be recognized as expense over the term of the transactions. This transaction also includes a put/call feature that becomes enforceable at the end of the seven-year compliance period. Wells Fargo may exercise its put option or the Group can exercise the call, both of which will serve to transfer the obligation to us. Incremental costs to maintain the structure during the compliance period will be recognized as incurred.

The Group has determined that the financing arrangement with the Investment Fund and CDEs is a VIE, and that the Group is the primary beneficiary of the VIE. The Group reached this conclusion based on the following:

- The ongoing activities of the VIE-collecting and remitting interest and fees and NMTC compliance were all considered in the initial design and are not expected to significantly affect economic performance throughout the life of the VIE;
- Contractual arrangements obligate us to comply with NMTC rules and regulations and provide various other guarantees to Investment Fund and CDEs;
- Wells Fargo lacks a material interest in the underlying economics of the project; and
- The Group is obligated to absorb losses of the VIE.

Because the Group is the primary beneficiary of the VIE, we have included it in our consolidated financial statements. As of December 31, 2020 and 2019, approximately \$0.6 million and \$0.7 million, respectively, of restricted cash from this transaction is included cash and cash equivalents and the offsetting Wells Fargo's interest in the financing arrangement of approximately \$11.9 million which is offset by \$2.2 million in deferred transaction costs for a net liability of \$9.7 million included in other long-term liabilities in the accompanying consolidated balance sheets.

As described above, this transaction also includes a put/call provision whereby the Group may be obligated or entitled to repurchase Wells Fargo's interest in the Investment Fund. The value attributed to the put/call is nominal. The NMTC is subject to 100% recapture for a period of seven years as provided in the Internal Revenue Code and applicable U.S. Treasury regulations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 14 - NEW MARKETS TAX CREDITS (continued)**

The Group are required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangement. Non-compliance with applicable requirements could result in Wells Fargo's projected tax benefits not being realized and, therefore, require us to indemnify Wells Fargo for any loss or recapture of NMTCs related to the financing until such time as the recapture provisions have expired under the applicable statute of limitations. The Group does not anticipate any credit recaptures will be required in connection with this arrangement.

**NOTE 15 - GOING CONCERN**

Despite the fact the Group has a negative equity as at December 31, 2021, the management is of the opinion that the business will be continued on a going-concern basis based on following:

- The negative equity was mainly resulted from \$ 152.2 million impairment losses recognized during year ended December 31, 2016 as a consequence of recession of oil and gas and related markets and challenging oil prices.
- The Group has a positive cash flow from operating activities of \$ 25.0 million and \$ 35.2 million for the year ended December 31, 2021 and 2020, respectively.
- Furthermore, as at December 31, 2021 the Group's current assets exceed current liabilities by \$ 159.9 million (2020: \$ 189.1 million) and the Group has enough cash to be able to meet its liabilities as they fall due in the foreseeable future.
- As at December 31, 2021, the Group has \$ 597.7 million of long-term debt, \$ 150.0 million of which matures only after more than five years.

Accordingly, the consolidated financial statements of the Group have been prepared on the going concern basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 16 - SUBSEQUENT EVENTS**

In preparing the accompanying financial statements and associated disclosures, management evaluated subsequent events through June 30, 2022, the date the consolidated financial statements were available to be issued.

In May 2022, the Company's indirect subsidiary, Crosby Worldwide Limited, entered into a definitive agreement to acquire Kito Corporation. Kito Corporation is a leading manufacturer of material handling equipment with 90 years of experience and world-class brands such as Kito, Harrington, and Peerless. The Company expects the transaction to close by the fourth quarter of 2022.

On April 14, 2022, the Company's indirect subsidiary, Crosby Worldwide Limited, changed its registered name to Lifting Holdings Limited. This does not change the legal entity structure or ownership and has no financial impact on the Company.

The conflict between Russia and Ukraine could lead to disruption, instability and volatility in global markets, economies and industries that could negatively impact many businesses in the world. The conflict has already resulted in significant volatility in certain equity, debt and currency markets, material increases in certain commodity prices, and economic uncertainty. The conflict may also escalate and its resolution is unclear. Certain governments have imposed severe sanctions against Russia and Russian interests and threatened additional sanctions and controls. Sanctions and export control laws and regulations are complex, frequently changing, and increasing in number, and they may impose additional legal compliance costs or business risks associated with our operations. Although the Group does not conduct business directly with companies based in Ukraine, Russia or Belarus, the impact of these measures, as well as potential responses to them by Russia, is currently unknown and they could adversely affect the Group, via our financial performance and financial condition.

No further events have occurred subsequent to year-end December 31, 2021 that require consideration as adjustments to, or disclosures, in the consolidated financial statements.

2022112502079

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 17 - RECONCILIATION OF NET INCOME AND STOCKHOLDERS' EQUITY UNDER US GAAP TO LUXEMBOURG GAAP**

The Company received the authorization from the Luxembourg Ministry of Justice to prepare and file its consolidated financial statement in conformity with accounting principles generally accepted in the United States of America (US GAAP) rather than accounting principles generally accepted in Luxembourg. The permission has been granted subject to the condition that a comprehensive reconciliation of net income and stockholder's equity from US GAAP to Lux GAAP is presented.

<b>Net Income for the year ended December 31, 2021</b>	<b>Reference</b>	<b>Amount</b>
US GAAP basis net deficit as of December 31, 2021		(46.3)
Items increasing (decreasing) net income/(deficit):		
Amortisation of goodwill (US GAAP)	a	14.5
Amortization of goodwill in accordance with Luxembourg GAAP	a	(12.9)
Amortization of trade names in accordance with Luxembourg GAAP	b	(28.1)
Convertible Preferred Equity Certificates - Interest expense	d	(18.8)
<u>Total net deficit (LUX GAAP) as of December 31, 2021</u>		<u>(91.6)</u>

<b>Net Income for the year ended December 31, 2020</b>	<b>Reference</b>	<b>Amount</b>
US GAAP basis net deficit as of December 31, 2020		(23.8)
Items increasing (decreasing) net income/(deficit):		
Amortisation of goodwill (US GAAP)	a	14.5
Impairment of goodwill charged in accordance with US GAAP	a	-
Amortization of goodwill in accordance with Luxembourg GAAP	a	(15.2)
Amortization of trade names in accordance with Luxembourg GAAP	b	(29.6)
Convertible Preferred Equity Certificates - Interest expense	d	(18.2)
<u>Total net deficit (LUX GAAP) as of December 31, 2020</u>		<u>(72.3)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 17 - RECONCILIATION OF NET INCOME AND STOCKHOLDERS' EQUITY UNDER US GAAP TO LUXEMBOURG GAAP (continued)****Partner's Equity as of December 31, 2021 and 2020**

		2021	2020
	Reference		
US GAAP basis of stockholder's equity		(55.9)	(18.0)
Adjustment on equity carried forward		(778.0)	(728.0)
Items increasing (decreasing) stockholders' equity:			
Amortisation of goodwill (US GAAP)	a	14.5	14.5
Impairment of goodwill charged in accordance with US GAAP	a	-	-
Amortization of goodwill in accordance with Luxembourg GAAP	a	(12.9)	(15.2)
Impairment of goodwill charged in accordance with Luxembourg GAAP	a	-	-
Impairment of trade names in accordance with US GAAP	b	-	-
Amortization of trade names in accordance with Luxembourg GAAP	b	(28.1)	(29.6)
Impairment of trade names in accordance with Luxembourg GAAP	b	-	-
Unrealized result on derivatives	c	-	(1.4)
Convertible Preferred Equity Certificates - Interest expense	d	(18.8)	(18.2)
<b>Total partners' equity (LUX GAAP) at year end</b>		<b>(879.1)</b>	<b>(795.9)</b>

- a) As discussed in Note 2 to the consolidated financial statements, the Group adopted, as of January 1, 2016, ASU 2014-02, Accounting for Goodwill – a consensus of the Private Group Council, which offers a simplified alternative approach to accounting for goodwill. Following the adoption, from January 1, 2016, the goodwill is amortized over 10 years under US GAAP. Before that, the Goodwill was not amortized but reviewed annually for impairment under US GAAP. Under Lux GAAP goodwill is amortized over 5 years. This adjustment is to charge amortization for goodwill under Lux GAAP under this 5 years basis.
- b) Intangibles (Trademark) are not amortized but reviewed annually for impairment under US GAAP. Under LUX GAAP Intangibles (Trademark) are amortized over 10 years and have also been considered for impairment. The Group changed its accounting policy during the year to amortize over 10 years and not 12 years anymore, the intangible assets related to trademark.
- c) Under US GAAP, unrealized result on derivatives (interest-rate hedges) is charged to the profit and loss account. However, under Lux GAAP unrealized result on derivatives is not recognized. This adjustment is to reverse the unrealized result, which were accounted to the profit and loss account under US GAAP.
- d) Convertible Preferred Equity Certificates ("CPECs") are shown as part of equity under US GAAP. The capitalized interest during the year is adjusted back to equity. Under Lux GAAP, CPECs are recorded as liability and are therefore being removed from equity in the reconciliation. Interest expense on CPECs is recorded as interest expense and are therefore being deducted from net income in the reconciliation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 18 – OTHER INFORMATION REQUESTED UNDER LUXEMBOURG GAAP****Staff**

The average number of staff employed by the Group during the years 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
Management of the Crosby Group	3	3
Other employees	1.587	1.408
<b>Total</b>	<b><u>1.590,0</u></b>	<b><u>1.411,0</u></b>

Staff costs engaged by the Group are as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<i>In millions</i>		
Wages and salaries	93,1	81,4
Other staff costs, including Social security and pensions	23,9	21,7
<b>Total staff cost</b>	<b><u>117,0</u></b>	<b><u>103,1</u></b>

The emoluments paid to members of the management and/or supervisory bodies in that capacity of the Group are as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<i>In millions</i>		
Management emoluments	2,5	1,0
<b>Total</b>	<b><u>2,5</u></b>	<b><u>1,0</u></b>

No other emoluments have been granted to such bodies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 18 – OTHER INFORMATION REQUESTED UNDER LUXEMBOURG GAAP (continued)****Audit and Non-audit Services**

For the financial Years ended December 31, 2021 and 2020, fees paid by the Group to the auditors are as follows:

<b>Total Expenses Group Auditor</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<i>In millions</i>		
Audit Services	0,7	0,6
Tax Consulting Services	0,3	0,6
<b>Total</b>	<b><u>1,0</u></b>	<b><u>1,2</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Years Ended December 31, 2021 and 2020

**NOTE 18 – OTHER INFORMATION REQUESTED UNDER LUXEMBOURG GAAP (continued)****Subsidiaries included in the consolidated financial statements**

Name	% of Shares Held	Consolidation Method	Country
Ascend Investments S.à r.l.	n/a	Parent Company	Luxembourg
Ascend Overseas Ltd.	100,00%	Full consolidation	United Kingdom
Crosby Worldwide Limited	99,37%	Full consolidation	United Kingdom
ACCO Material Handling Solutions, Inc.	100,00%	Full consolidation	United States
Amdura LLC	100,00%	Full consolidation	United States
Babcock Industries Inc.	100,00%	Full consolidation	United States
Certex France S.a.r.l.	100,00%	Full consolidation	France
Chaines Zimmerman SAS	100,00%	Full consolidation	France
Crosby APAC Pte. Ltd	100,00%	Full consolidation	Singapore
Crosby Canada Inc.	100,00%	Full consolidation	Canada
Crosby Europe (UK) Limited	100,00%	Full consolidation	United Kingdom
Crosby Europe France S.a.r.l.	100,00%	Full consolidation	France
Crosby Europe NV	100,00%	Full consolidation	Belgium
Crosby Industria e Comercio de Ferramentas Ltda.	100,00%	Full consolidation	Brazil
Crosby Investment Inc.	100,00%	Full consolidation	United States
Crosby Premier Stampings Limited	100,00%	Full consolidation	United Kingdom
Crosby UK Acquisition Limited	100,00%	Full consolidation	United Kingdom
Crosby US Acquisition Corp.	100,00%	Full consolidation	United States
FKI Hardware, Inc.	100,00%	Full consolidation	United States
FKI Industries, Inc.	100,00%	Full consolidation	United States
Forge France SAS	100,00%	Full consolidation	France
GJC Investments Inc.	100,00%	Full consolidation	United States
Griffon Acquisition AB	100,00%	Full consolidation	Sweden
Gunnebo Anja Industrier AS	100,00%	Full consolidation	Norway
Gunnebo Industrier AB (GIAB)	100,00%	Full consolidation	Sweden
Gunnebo Industrier Group AB (GIGAB)	100,00%	Full consolidation	Sweden
Gunnebo Industrier Holding AB (GIHAB)	100,00%	Full consolidation	Sweden
Gunnebo Industries (Kunshan) Co. Ltd.	100,00%	Full consolidation	China
Gunnebo Industries (Pty) Ltd	100,00%	Full consolidation	South Africa
Gunnebo Industries GmbH	100,00%	Full consolidation	Germany
Gunnebo Industries Holding AS	100,00%	Full consolidation	Norway
Gunnebo Industries Hong Kong Ltd.	100,00%	Full consolidation	China
Gunnebo Industries Inc.	100,00%	Full consolidation	United States
Gunnebo Industries Ltd.	100,00%	Full consolidation	United Kingdom
Gunnebo Industries Ltd.	100,00%	Full consolidation	Ireland
Gunnebo Industries Produtos Para Movimentacao de Cargas Ltda	100,00%	Full consolidation	Brazil
Gunnebo Industries Pty Ltd.	100,00%	Full consolidation	Australia
Gunnebo Industries Sp.z.o.o	100,00%	Full consolidation	Poland
Inter Product B.V.	100,00%	Full consolidation	The Netherlands
Parsons Chaine Europe SAS	100,00%	Full consolidation	France
Rhombus Rollen GmbH & Co.	100,00%	Full consolidation	Germany
Rhombus Rollen Verwaltungsgesellschaft mbH	100,00%	Full consolidation	Germany
Schmiedestuck-Vertrieb Feuerstein GmbH	100,00%	Full consolidation	Germany
Straightpoint UK Limited	100,00%	Full consolidation	United Kingdom
The Crosby Group LLC	100,00%	Full consolidation	United States
The Crosby Group Manufacturing LLC	100,00%	Full consolidation	United States
Verton Technologies Australia Pty Ltd	30,00%	Equity investment	Australia
Blokcorp Ltd	100,00%	Full consolidation	United Kingdom
Airpes (China) Co., Ltd.	50,00%	Full consolidation	China
Airpes Sistemas Integrales de Manutencion y Pesaje, S.L.	100,00%	Full consolidation	Spain

2022112502084

J