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Årsredovisning
Annual Accounts

för
for

Gunnebo Industrier Group AB
556025-8625

Räkenskapsåret
The financial year
2024

Fastställelseintyg/ *Certificate of Adoption*

Undertecknad, styrelseledamot i **Gunnebo Industrier Group AB** intygar att resultaträkningen och balansräkningen fastställts på årsstämman den 30 juni 2025. Årstämman beslöt att godkänna styrelsens förslag beträffande det uppkomna resultatet.

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

*The undersigned, Board member of **Gunnebo Industrier Group AB**, certifies that the Income Statement and Balance Sheet have been adopted by the Annual General Meeting held on June 30th 2025. The General meeting decided to adopt the Board of Directors' proposal regarding the allocation of the result.*

The undersigned certifies also that the contents of the annual report/ and the auditors' report are a true copy of the original document.

Stockholm den 30 juni 2025.

Name: Robert Pesel

Årsredovisning

för

Gunnebo Industrier Group AB

556025-8625

Räkenskapsåret

2024

Innehållsförteckning

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Styrelsen för Gunnebo Industrier Group AB ("bolaget"), (556025-8625), får härmed avge årsredovisning för räkenskapsåret 2024. Beloppen anges i tusentals kronor om inte annat sägs. Belopp inom parentes avser föregående år.

Förvaltningsberättelse

Bolaget är ett dotterbolag till Gunnebo Industrier Holding AB (556759-4741). Koncernredovisning, där Gunnebo Industrier Group AB ingår i, för 2024 upprättas av Ascend Investment S.à.r.l. Limited Liability Company, (Société à responsibilité). Organisationsnummer B181601 med adress 2 rue Edward Steichen, L2540, Luxemburg. Koncernredovisningen har vid undertecknande av denna årsredovisning ännu ej upprättats men beräknas vara klar innan inlämnande av årsredovisning till Bolagsverket den 31 juli 2025.

Griffon Acquisition AB är det bolaget inom Kito Crosby koncernen som förvärvade Gunnebo Industrier Holding AB under 2019.
Bolaget ska fortsatt bedriva verksamhet genom att vara holdingbolag för industriell verksamhet. Dotterbolagens verksamheter omfattar bland annat utveckling, tillverkning och marknadsföring av kätting- och lyftkomponenter samt av block/system för tunga lyft.

Flerårsöversikt (Tkr)	**2024**	**2023**	**2022**	**2021**	**2020**
Resultat efter finansiella poster	-5	-10	50	-49	-51
Balansomslutning	1 049 294	1 049 269	1 049 279	1 049 289	1 049 328
Soliditet (%)	27,3	27,3	27,1	27,3	27,3

Väsentliga händelser under räkenskapsåret
Gunnebo Industrier AB har genom dotterbolaget i Tyskland, Crosby Germany Gmbh, förvärvat eepos Gmbh och dess dotterbolag under augusti 2024. eepos grundades 2006 i Wiehl, Tyskland, och har introducerat flexibla lyftlösningar på arbetsplatser över hela världen. Med fokus på utvecklingen av modulära, smidiga kranar tillverkade av lättviktsaluminium har eepos blivit ett allestädes närvarande varumärke inom ergonomiska lyftlösningar, med betydande global närvaro inklusive dotterbolag i USA, Mexiko, Brasilien, Ungern, Turkiet, Frankrike, Sydafrika, Kina och Indien.

Väsentliga händelser efter räkenskapsårets slut
Den 10 februari 2025 meddelade Kito Crosby koncernens ägare KKR & Co att man har kommit överens med det i USA börsnoterade bolaget Columbus McKinnon Corp. om en försäljning av Kito Crosby koncernen. Affären kommer att avslutas under hösten när sedvanliga genomgångar och statliga godkännanden har erhållits. Affären är värderad till ca 2,7 miljarder USD och den nya koncernen kommer att omsätta ca 2,1 miljarder USD.

För att möta den internationella turbulensen kring tullar har Kito Crosby koncernen bildat en arbetsgrupp som använder externa experter för att analysera utvecklingen. Det är ännu för tidigt att bedöma hur Gunnebo Industrier AB kommer att påverkas av förändrade tullar.

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

Likviditet och finansiell ställning
Gunnebo Industrier AB's likviditet har försämrats under 2024 beroende på större kundfordringar huvudsakligen mot koncernföretag.

Medarbetare
Bolaget har ingen anställd personal och inga ersättningar har utgått.

Risker och känslighetsanalys
Gunnebo Industrier Group AB och dess dotterbolag är, som internationellt verksamt, exponerad för en rad risker i form av finansiella risker, omvärldsrisker och verksamhetsrelaterade risker.

Aktieägare
Gunnebo Industrier Holding AB, org nr 556759-4741, äger 100 % av bolagets aktier.

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

balanserad vinst	284 768 209
årets vinst	25 000
	284 793 209
disponeras så att	
i ny räkning överföres	284 793 209

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

Resultaträkning
Tkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Administrationskostnader	2	-5	-10
Summa		**-5**	**-10**
Rörelseresultat		**-5**	**-10**
Resultat från finansiella poster			
Räntekostnader och liknande kostnader		0	0
Resultat efter finansiella poster		**-5**	**-10**
Bokslutsdispositioner			
Erhållna koncernbidrag		30	0
Resultat före skatt		**25**	**-10**
Årets resultat		**25**	**-10**

Balansräkning
Tkr

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	3,4	1 049 263	1 049 263
Fordringar hos koncernföretag		30	0
Summa anläggningstillgångar		**1 049 293**	**1 049 263**
Omsättningstillgångar			
Kassa och bank		1	6
Summa omsättningstillgångar		**1**	**6**
SUMMA TILLGÅNGAR		**1 049 294**	**1 049 269**
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		2 000	2 000
Reservfond		120	120
Summa		**2 120**	**2 120**
Fritt eget kapital			
Balanserad vinst eller förlust		284 768	284 778
Årets resultat		25	-10
Summa		**284 793**	**284 768**
Summa eget kapital		**286 913**	**286 888**
Långfristiga skulder	5		
Skulder till koncernföretag		741 573	741 573
Kortfristiga skulder			
Skulder till koncernföretag		20 808	20 808
SUMMA EGET KAPITAL OCH SKULDER		**1 049 294**	**1 049 269**

Rapport över förändringar i eget kapital

Tkr

	Aktie-kapital	Reserv-Fond	Balanserad vins	Årets vinst	Summa
Ingående eget kapital 2023-01-01	**2 000**	**120**	**284 728**	**50**	**286 898**
Vinstdisposition			50	-50	0
Årets resultat				-10	-10
Summa totalresultat			**50**	**-60**	**-10**
Utgående eget kapital 2023-12-31	**2 000**	**120**	**284 778**	**-10**	**286 888**
Vinstdisposition			-10	10	0
Årets resultat				25	25
Summa totalresultat			**-10**		**-10**
Utgående eget kapital 2024-12-31	**2 000**	**120**	**284 768**	**25**	**286 913**

Antalet aktier i bolaget uppgår per 31 december 2024 till 4 000 stycken med ett kvotvärde på 500 SEK. Ingen ändring i antal aktier eller kvotvärde har ägt rum under 2024 eller 2023.

Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Bolaget är ett dotterbolag till Gunnebo Industrier Holding AB (556759-4741). Gunnebo Industrier Group AB ingår i Ascend Investment S.à.r.l. Limited Liability Company, (Société à responsibilité). Organisationsnummer B181601, med adress 2 rue Edward Steichen, L2540, Luxemburg. Koncernredovisningen har vid undertecknande av denna årsredovisning ännu ej upprättats men beräknas vara klar innan inlämnande av årsredovisning till Bolagsverket den 31 juli 2025.

Bolaget bedriver verksamhet genom att vara holdingbolag för industriell verksamhet. Dotterbolagens verksamheter omfattar bland annat utveckling, tillverkning och marknadsföring av kätting- och lyftkomponenter samt av block/system för tunga lyft.

Byte av redovisningsprinciper

Årsredovisningen upprättades för första gången 2019 i enlighet med BFNAR 2012:1 Årsredovisning och koncernredovisning (K2). De förändrade principerna berodde på de ändrade ägarförhållandena samt att den noterade obligation som innehades av koncernen lösts och avnoterats. Tidigare upprättades årsredovisningen enligt årsredovisningslagen och Rådet för finansiell rapporterings rekommendation RFR2.

Redovisningsprinciper för enskilda balansposter

Låneutgifter

De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår. Uppläggningskostnader i samband med upptagande av långfristiga lån periodiseras över låneavtalets löptid.

Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen 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.

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.

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.

Kortfristiga fordringar

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

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader.

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.

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.

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 responsibilité). 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.

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.

Not 2 Administrationskostnader/Ersättning till revisorerna

	2024	2023
Revisionsuppdrag Deloitte AB	0	0
Förseningsavgifter Bolagsverket	-5	-10
	-5	**-10**

Not 3 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde 2024-12-31
Gunnebo Industrier AB	100	100	762 934 411	1 049 263
				1 049 263

	Org.nr	Säte
Gunnebo Industrier AB	556324-9183	Västervik

Not 4 Andelar i koncernföretag

	2024-12-31	2023-12-31
Vid årets början	1 049 263	1 049 263
Utgående redovisat värde	**1 049 263**	**1 049 263**

Not 5 Upplåning

De långfristiga skulderna förfaller enligt avtal enligt följande tabell:

	Mindre än 1 år	Mellan 1 till 2 år	Mer än 2 år
Vid årets utgång 2023-12-31			
Långfristiga skulder till koncernföretag	0	0	741 573
Vid årets utgång 2024-12-31			
Långfristiga skulder till koncernföretag	0	0	741 573

De långfristiga skulderna mot koncernbolag har inte längre någon fastställd amorteringstidpunkt på balansdagen 2024-12-31, företagsledningen ser skulderna som en del av bolagets långfristiga finansiering.

Not 6 Ställda säkerheter och eventualförpliktelser

	2024-12-31	2023-12-31
För skulder till kreditinstitut i koncernföretag:		
Aktier i dotterföretag ställda i pant för Kito Crosby koncernen	1 049 263	1 049 263
	1 049 263	**1 049 263**

Aktier i dotterföretag består av bokfört värde på andelar i dotterföretag som pantsatts till förmån för koncernföretag.

Not 7 Händelser efter balansdagen

Den 10 februari 2025 meddelade Kito Crosby koncernens ägare KKR & Co att man har kommit överens med det i USA börsnoterade bolaget Columbus McKinnon Corp. om en försäljning av Kito Crosby koncernen. Affären kommer att avslutas under hösten när sedvanliga genomgångar och statliga godkännanden har erhållits. Affären är värderad till ca 2,7 miljarder USD och den nya koncernen kommer att omsätta ca 2,1 miljarder USD.

För att möta den internationella turbulensen kring tullar har Kito Crosby koncernen bildat en arbetsgrupp som använder externa experter för att analysera utvecklingen. Det är ännu för tidigt att bedöma hur Gunnebo Industrier AB kommer att påverkas av förändrade tullar.

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

Gunnebo Industrier Group AB
Org.nr 556025-8625

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

Stockholm den

Robert Desel
Ordförande

Jörgen Sjöstrand
Styrelseledamot

Wilhelm Fabricius
Verkställande direktör

Vår revisionsberättelse har lämnats

Deloitte AB

Åsa Löfqvist
Auktoriserad revisor

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

Stockholm den 16/6-2025

Robert Desel
Ordförande

Jörgen Sjöstrand
Styrelseledamot

Wilhelm Fabricius
Verkställande direktör

Vår revisionsberättelse har lämnats 18/6 - 2025

Deloitte AB

Åsa Löfqvist
Auktoriserad revisor

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Gunnebo Industrier Group AB
organisationsnummer 556025-8625

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Gunnebo Industrier Group AB för räkenskapsåret 2024-01-01 - 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Gunnebo Industrier Group ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

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

Upplysning av särskild betydelse

Som framgår av förvaltningsberättelsen upprättar bolaget ingen koncernredovisning i enlighet med undantagsregeln i Årsredovisningslagen 7 kap 2§ och hänvisar till upprättad koncernredovisning för Ascend Investment S.á.r.l. Limited Liability Company. Koncernredovisningen har vid undertecknande av denna årsredovisning ännu ej upprättats men beräknas vara klar innan inlämnande av årsredovisning till Bolagsverket den 31 juli 2025.

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 beslut har fattats om att avveckla verksamheten.

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 Group AB för räkenskapsåret 2024-01-01 - 2024-12-31 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 revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Gunnebo Industrier Group 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 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 revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed 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.

Göteborg den 18 juni 2025

Deloitte AB

Åsa Löfqvist

Auktoriserad revisor

Ascend Investments S.à r.l.

Société à responsabilité limitée

CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

AND REPORT OF

THE RÉVISEUR D'ENTREPRISES AGRÉÉ

2, rue Edward Steichen

L-2540 Luxembourg

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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 "Kito Crosby Group" or "Group") for the financial year ended December 31, 2024.

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 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 company supplies products such as blocks, sheaves, components for chain and wire rope slings, shackles, and chain, produced in Sweden, Norway and USA.

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 appoximately $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 appoximately $15.8 million in goodwill relating to the acquisition.

On October 31, 2022, the Group acquired 77% of the Kito Corporation ("Kito") shares outstanding in a cash tender offer for a total price of $292.5 million. The remaining interest was acquired in the first quarter of 2023 for approximately $95.0 million. Subsequent to the acquisition, the name of the Company's indirect subsidiary Lifting Holdings Limited was changed to Kito Crosby Group Limited.

On August 30, 2024, the Group acquired Eepos Gmbh ("Eepos") for $41.7 million (37.7 million Euro). The acquisition was funded through a combination of cash and equity. See Note 14 for additional information.

Operating globally, the Group manufactures and distributes products and services used for lifting, rigging, transporting and securing goods. The current operations are done under the Kito, Crosby, Harrington, Gunnebo and Peerless brands, among others.

Basis of Preparation

The Group's consolidated financial statements as of and for the year ended December 31, 2024 and 2023 are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP").

Financial results in 2024

Net sales for the years ending December 31, 2024 and 2023 were $ 1,101.1 million and $ 1,111.1 million million, respectively. The net loss for the years ending December 31, 2024 and 2023 was $0.2 million and $36.1 million, respectively.

Internal control and risk management

The Board of Managers 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.

The Group 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. The Group manages its exposure with regards to interest rate fluctuations through the use of interest rate swap contracts, as further disclosed in the financial statements. The Group 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 2024, the Group repurchased a total of 169,255 shares of common stock for an aggregate consideration of $1.4 million. During 2023, the Group repurchased a total of 47,890 shares of common stock for an aggregate consideration of $0.3 million.

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 2025

The Board of Managers expect that the Group will see continued economic pressure on the key end markets going into 2025. Through the continued focus on customer satisfaction and cost reduction initiatives, the Board of Managers expects to see an improvement in results throughout 2025.

Luxembourg, June 24, 2025

The Board of Managers

Ascend Investments S.à r.l

Thomas Weber

A Manager

Jan Könighaus

A Manager

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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 sheet as at December 31, 2024 and 2023, the consolidated statements of operations and comprehensive income (loss), the consolidated statements of cash flows and the consolidated statements of changes in equity (deficit) for the year 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, 2024 and 2023, and of the results of its operations and their cash flows for the year 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.

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Deloitte.

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 consolidated 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 the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for at least, but not limited to, 12 months after the date that the financial statements are issued.

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 consolidated 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*



Massimo Simioni, *Réviseur d'entreprises agréé*
Partner

June 24, 2025

Ascend Investments S.à r.l.

CONSOLIDATED BALANCE SHEETS

as of December 31, 2024, and 2023

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

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash and cash equivalents		178,6	209,7
Accounts receivable (less allowance for doubtful accounts of $2.1 and $3.0, respectively)	5	192,9	194,4
Inventories	5	322,6	338,3
Prepaid expenses and other current assets		11,9	10,5
Income taxes receivable		4,0	0,3
Total current assets		710,0	753,2
Non-current assets			
Property, plant and equipment, net	5	276,0	284,6
Goodwill, net	3	57,3	65,9
Other intangible assets, net	3	234,1	233,1
Other non-current assets	5	63,2	44,2
Total assets		1.340,6	1.381,0
LIABILITIES AND EQUITY			
Current liabilities			
Current portion of long-term debt	4	10,0	10,8
Convertible preferred equity certificates	8	6,3	5,8
Accounts payable		104,6	115,9
Accrued expenses and other current liabilities	5	107,5	103,9
Income taxes payable		8,4	9,3
Total current liabilities		236,8	245,7
Non-current liabilities			
Long-term debt	4	965,1	948,8
Retirement benefit obligations	7	27,2	29,5
Deferred income tax liabilities, net	10	57,6	58,9
Other non-current liabilities	5	45,8	48,0
Total liabilities		1.332,5	1.330,9
Commitments and contingencies	6, 12		
Equity	8		
Common stock, $0.01 par value. 3,792,420,562 shares authorized, issued and outstanding (2023: 3,792,420,562)		37,9	37,9
Additional paid-in capital		348,6	348,6
Other equity reserve		440,4	440,9
Retained deficit		(754,8)	(753,4)
Non-controlling interest		39,3	31,4
Accumulated other comprehensive loss		(103,2)	(55,5)
Total equity/(deficit)		8,2	49,9
Total liabilities and equity/(deficit)		1.340,7	1.381,0

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

for the years ended December 31, 2024, and 2023

(expressed in million USD)

	Notes	Year Ended December 31, 2024	Year Ended December 31, 2023
Net sales		1.101,1	1.111,1
Cost of sales		(675,3)	(732,3)
Gross profit		425,8	378,8
Selling, distribution and administrative expenses		(256,1)	(252,1)
Amortization of intangible assets		(36,7)	(39,1)
Operating income		133,0	87,6
Interest expense, net	4	(97,1)	(115,4)
Unrealized gains on derivative		0,3	0,8
Realized gains on derivative		5,4	4,4
Other income expense		0,2	-
New market tax credit extingushment		9,9	
Deferred financing cost expense upon payoff		(25,9)	(5,0)
Bargain purchase gain on acquisition		-	(1,2)
Loss before income taxes		25,8	(28,8)
Income tax (expense) / benefit	10	(26,1)	(7,3)
Net income (loss)		(0,3)	(36,1)
Net income allocation attributable to:			
Equity holders of parent		(1,4)	(37,3)
Non-controlling interest		1,1	1,2
Other comprehensive income (loss), net of tax:			
Foreign currency translation gain (loss)	9	(47,8)	(7,1)
Actuarial gain (loss) on net pension liabilities	9	0,1	0,2
Other comprehensive income (loss), net of tax		(47,7)	(6,9)
Total comprehensive income (loss)		(48,0)	(43,0)

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

Ascend Investments S.à r.l.

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the Years Ended December 31, 2024, and 2023

(expressed in million USD)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Cash flows from operating activities		
Net income/(loss)	**(0,3)**	**(36,1)**
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation of property, plant and equipment	51,1	49,3
Amortization of intangible assets, debt issuance costs and other	40,3	49,5
New market tax credit extingushment	(9,9)	-
Deferred financing cost expensed upon payoff	25,9	5,0
Change in deferred income taxes	(35,4)	(26,2)
Change in inventory obsolescence reserve	0,8	(4,0)
Changes in operating assets and liabilities:		
Accounts receivable	3,3	(10,2)
Inventories	20,1	62,9
Prepaid expenses	11,0	1,4
Accounts payable	(14,2)	(10,7)
Accrued expenses and other current liabilities	(6,0)	19,0
Income taxes	(4,6)	1,0
Retirement benefit obligations	(3,1)	0,6
Foreign currency effects and other	(20,8)	(11,4)
Net cash provided by (used in) operating activities	**58,3**	**90,1**
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,8)	(18,2)
Business acquisitions, net of cash acquired	(33,7)	-
Net cash used in investing activities	**(63,5)**	**(18,2)**
Cash flows from financing activities:		
Purchase of noncontrolling interest	-	(94,3)
Proceeds from long term borrowings	1.000,0	205,0
Payments of long term borrowings	(996,3)	(207,7)
Payment of debt issuance costs	(17,7)	(4,4)
Proceeds from issuing common stock	0,2	1,4
Repurchase of treasury stock	(1,4)	(0,3)
Net cash (used in) financing activities	**(15,2)**	**(100,3)**
Effect of changes in foreign exchange rates on cash	(10,7)	(3,5)
Net increase (decrease) in cash and cash equivalents	(31,1)	(31,9)
Cash and cash equivalents – beginning of period	209,7	241,6
Cash and cash equivalents – end of period	**178,6**	**209,7**
Supplemental Cash Flow Information		
Interest paid	99,6	106,3
Income taxes paid	52,2	21,0
Non-cash purchases of property, plant and equipment	7,4	2,8
Non-cash issuance of common stock	-	-
Non-cash investing activity	-	-
Non-cash purchase price of business acquisition	8,0	-

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, 2024, and 2023

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

	Common shares ($ 0,01 per share)							
	Million shares	Amount	Paid-in Capital	Other equity reserve	Non-Controlling Interest	Retained Earnings (Deficit)	Other Comprehensive Income (Loss)	Total Equity
Balance, December 31, 2022	**3.792,4**	**37,9**	**348,6**	**444,7**	**111,0**	**(712,7)**	**(48,3)**	**181,2**
Issuance of common stock	-	-	-	-	1,1	-	-	1,1
Acquisition of noncontrolling interest	-	-	-	-	(85,6)	-	-	(85,6)
Transfer between shareholders					3,7	(3,4)	(0,3)	
Convertible Preferred Equity Certificates - Capitalized Interest	-	-	-	24,1	-	-	-	24,1
Convertible Preferred Equity Certificates - Interest Expense	-	-	-	(27,9)	-	-	-	(27,9)
Net income (loss)	-	-	-		1,2	(37,3)		(36,1)
Other comprehensive income (loss)	-	-	-	-	-	-	(6,9)	(6,9)
Balance, December 31, 2023	**3.792,4**	**37,9**	**348,6**	**440,9**	**31,4**	**(753,4)**	**(55,5)**	**49,9**
Issuance of common stock	-	-	-	-	6,8	-	-	6,8
Acquisition of noncontrolling interest	-	-	-	-	-	-	-	-
Transfer between shareholders	-	-	-	-	-	-	-	-
Impact of change in shareholding	-	-	-	-	-	-	-	-
Convertible Preferred Equity Certificates - Capitalized Interest	-	-	-	54,2	-	-	-	54,2
Convertible Preferred Equity Certificates - Interest Expense	-	-	-	(54,8)	-	-	-	(54,8)
Net income (loss)	-	-	-	-	1,1	(1,4)	-	(0,3)
Other comprehensive income (loss)	-	-	-	-	-	-	(47,7)	(47,7)
Balance, December 31, 2024	**3.792,4**	**37,9**	**348,6**	**440,4**	**39,3**	**(754,8)**	**(103,2)**	**8,2**

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

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 principal activities of the Company and its subsidiaries (hereafter referred to as the "Kito Crosby Group" or "Group") are described below.

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 1st and ends on December 31st of the each 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).

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 appoximently $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.

NOTE 1 - GENERAL INFORMATION (continued)

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. 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.

On October 31, 2022, the Group acquired 77.15% of the Kito Corporation ("Kito") shares outstanding in a cash tender offer for a total price of $292.5 million. The remaining interest was acquired in the first quarter of 2023 for approximately $95.0 million. The Group also assumed certain liabilities as detailed in Note 14. Subsequent to the acquisition, the name of the Company's indirect subsidiary Lifting Holdings Limited was changed to Kito Crosby Group Limited.

On August 30, 2024, the Group acquired Eepos Gmbh ("Eepos") for $41.7 million (37.7 million Euro). The acquisition was funded through a combination of cash and equity. See Note 14 for additional information.

Operating globally, the Group manufactures and distributes products and services used for lifting, rigging, transporting and securing goods. The current operations are done under the Kito, Crosby, Harrington, Gunnebo and Peerless brands, among others.
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 16.

Unless stated otherwise, accounting policies described herein have been applied consistently in preparing the accompanying consolidated 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").

NOTE 1 - GENERAL INFORMATION (continued)

2.2 Principles of consolidation

The accompanying consolidated financial statements include the Company and its wholly-owned subsidiaries, together "the Group". All intercompany accounts and transactions have been eliminated in consolidation. Further, any ownership not attributable to the Group and related earnings are shown as non-controlling interest in the consolidated statement of changes in equity (deficit) and consolidated statements of operations and comprehensive income (loss).

2.3 Use of estimates

The preparation of consolidated 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.

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 $1.4 million and $ 0.7 million for the year ended December 31, 2024 and 2023, respectively.

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).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Revenue Recognition

Revenue is recognized 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. 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 the Group's 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

Amounts billed to customers in sale transactions related to shipping and handling costs are recorded as revenue as shipping activity is considered a fulfillment 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Advertising Costs

Advertising costs are immaterial and are expensed as incurred and included in selling and marketing expense.

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, net

Accounts receivable are reported in the balance sheet net of allowance for credit losses. The Group evaluates the collectability of accounts receivable based on a combination of factors, including circumstances that indicate a specific customer's inability to meet its financial obligations, historical collection experience, and an evaluation of expected risk of credit loss based on current conditions and reasonable and supportable forecasts of future economic conditions over the life of the receivable. The Group pools its Accounts receivable based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with others, the Group measures it individually. The Group also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change. Credit losses are recorded in Selling, distribution and administrative expenses in the accompanying consolidated statements of operations. The Group's allowance for current expected credit loss activity has historically not been significant. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the balance sheet date.

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 all other 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

Asset Class	Useful Life
Machinery and equipment	3 to 20 years
Buildings	30 to 50 years

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 2024 and 2023. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Long-Lived Assets(continued)

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.

2.17 Leases

The Group's leases are classified as operating leases and consist of manufacturing facilities, sales offices, distribution centers, warehouses, vehicles, and equipment. For leases with terms greater than twelve months, at lease commencement, the Group recognizes a ROU asset and a lease liability. The initial lease liability is recognized at the present value of remaining lease payments over the lease term. Leases with an initial term of twelve months or less are not recorded on the Group's Consolidated Balance Sheet. The Group recognizes lease expense for operating leases on a straight-line basis over the lease term. Additionally, because the Group has elected to not separate lease and non-lease components, variable costs also include payments to the landlord for common area maintenance, real estate taxes, insurance, and other operating expenses.

2.18 Goodwill and Indefinite-Lived Intangible Assets

The Group has elected to amortize goodwill over 10 years in accordance with the private company accounting alternative permitted under US GAAP. 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 goodwill triggering even 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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Goodwill and Indefinite-Lived Intangible Assets (continued)

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 2024 or 2023.

2.19 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 administrative expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Environmental and Legal Contingencies (continued)

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.

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.

2.20 Retirement Plans

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Retirement Plans (continued)

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.

2.21 Derivative Financial Instruments

Derivative instruments are recognized as either assets or liabilities at fair value in the balance sheet with changes to fair value recorded in the statement of operations.

From time to time the Group also utilizes interest rate derivatives to help stabilize the interest expense on the outstanding debt. The Group does not use hedge accounting for these derivatives. Unrealized gain recognized in the statement of operations were $0.3 million and $0.8 million for the year ended December 31, 2024 and 2023. The Group realized gains of $5.4 million and $4.4 million during the year-ended December 31, 2024 and 2023.

2.22 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Income taxes (continued)

Current Income Taxes

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 consolidated balance sheet date.

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.

2.23 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Fair value Measurements (continued)

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. We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Any excess or surplus of the purchase consideration when compared to the fair value of the net tangible assets acquired, if any, is recorded as goodwill or gain from a bargain purchase. The fair value of assets and liabilities as of the acquisition date are often estimated using a combination of approaches, including the income approach, which requires us to project future cash flows and apply an appropriate discount rate; the cost approach, which requires estimates of replacement costs and depreciation and obsolescence estimates; and the market approach which uses market data and adjusts for entity-specific differences. We use all available information to make these fair value determinations and engage third-party consultants for valuation assistance. The estimates used in determining fair values are based on assumptions believed to be reasonable but which are inherently uncertain. Accordingly, actual results may differ materially from the projected results used to determine fair value. 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.

The Group's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, debt and derivative financial instruments.

The fair value of cash and cash equivalents, accounts receivable and accounts payable approximated their carrying amounts as of December 31, 2024 and 2023.

As of December 31, 2024, the Group's term-loan borrowings had a carrying amount of $990.0 million and a fair value of $999.9 million based upon estimates of value for which the debt could be purchased.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Fair value Measurements (continued)

As of December 31, 2023, the Group's term-loan borrowings had a carrying amount of $985.7 million which equates to its estimated fair value based upon estimates of value for which the debt could be purchased.

2.24 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 2024 or 2023.

2.25 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.

2.26 New Accounting Standards

New Accounting Standards Issued and Adopted

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments — Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments ("ASU 2016-13''), which changes the impairment model for most financial assets. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL framework utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

2.26 New Accounting Standards (continued)

The methodology replaces the multiple existing impairment methods, which generally require that a loss be incurred before it is recognized.

On January 1, 2023, the Group adopted the guidance in a modified retrospective basis approach.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 New Accounting Standards (continued)

The adoption of this standard did not have a material impact on the Group's consolidated financial statements as of the adoption date, January 1, 2023, and therefore no related adjustment was recorded at the adoption date.

New Accounting Standard Issued and Adopted

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 asset and contract liabilities acquired in 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. The adoption of this standard did not have a material impact on the Group's financial statements as of the adoption date, January 1, 2024, and therefore no related adjustment was recorded at the adoption date.

NOTE 3 - GOODWILL AND OTHER INTANGIBLE ASSETS

For the years ended December 31, 2024 and 2023, the Company concluded that no impairment existed for goodwill or trade names. The Company 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, 2024 and 2023. Accumulated amortization for goodwill, excluding impairments, was $139.4 million and $120.9 million as of December 31, 2024 and 2023, respectively. Accumulated amortization for customer relationships was $332.3 million and $316.2 million as of December 31, 2024 and 2023, respectively.

The following table summarizes the estimates of useful lives and activity for the years ending December 31, 2024 and 2023:

NOTE 3 - GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

		Other Intangible Assets, Net			
In millions	(a) Goodwill	Trademark	Customer Relationships	Patent	Total Other Intangible Assets
Useful Lives - Years	10	Indefinite	12	Indefinite - 7	
Balance at January 1, 2023	$ 71.5	$ 173.0	$ 47.1	$ 28.0	$ 248.1
Amortization	(17.7)	-	(18.4)	(3.0)	(21.4)
Addition	6.9	-	-	-	-
Foreign currency translation	5.2	6.2	0.2	-	6.4
Balance at December 31, 2023	$ 65.9	$ 179.2	$ 28.9	$ 25.0	$ 233.1
Amortization	(18.5)	-	(16.1)	(2.1)	(18.2)
Addition	22.8	4.3	17.0	-	21.3
Foreign currency translation	(12.9)	(0.5)	(1.6)	-	(2.1)
Balance at December 31, 2024	$ 57.3	$ 183.0	$ 28.2	$ 22.9	$ 234.1 *

The weighted average useful life of goodwill is 6 years as of December 31, 2024, and 4 years as of December 31, 2023.

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

In millions Year	Customer Relationships	Goodwill
2025	10.0	17.7
2026	3.3	7.3
2027	3.3	7.3
2028	3.3	7.3
2029	2.5	5.0
Thereafter	5.8	12.7

NOTE 4 - LONG-TERM DEBT

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

NOTE 4 - LONG-TERM DEBT (continued)

On October 25, 2022, the Group completed Amendment 1 to both the first and second lien credit facility for the purposes of completing the Kito acquisition (see also note 14). The first lien increased by $330.0 million, and the second lien facility increased by $50.0 million. Further, included in Amendment 1, the RCF was amended to align the maturity date with that of the first loan credit facility and expanded the line by $50.0 million for a total availability of $120.0 million. The maturity date remains the same for each facility and the interest rate was adjusted from a LIBOR base rate to SOFR. Cash received totaled $350.2 million net of discounts and financing cost for the first and second lien additional borrowings.

On November 2, 2023, the Group completed a Joinder Agreement to the first lien. This allowed for additional borrowings of $205.0 million under the facility. The proceeds were used to retire the Second Lien TL and pay related fees. As a result of the Second Lien Term Loan, the Group recognized a loss on debt extinguishment of $5.0 million.

On February 16, 2024, the Group completed an Amendment 3 ("Replacement Term Facility"). Total borrowings under the Replacement Term Facility were $1,006.7 million. Proceeds were used to retire the previous amounts outstanding under the Credit Agreement. The refinancing was completed with a borrowing rate of SOFR plus an applicable margin of 4.0% with a maturity date of August 16, 2029. The maturity of the RCF was also amended to match the maturity of the Replacement Term Facility.

On September 25, 2024, the Group completed Amendment 4 to the credit facility. This amendment adjusted the applicable margin rate on the borrowing to 3.5%. No other provisions were changed as a result of the amendment.

The RCF was not drawn as of December 31, 2024 and 2023. Available borrowing capacity under the RCF of $117.6 million as of December 31, 2024, which takes into account $2.4 million of capacity utilized to secure letters of credit.

NOTE 4 - LONG-TERM DEBT (continued)

Long-term debt at December 31, 2024 consisted of the following:

In millions	Balance	Maturity	Interest Rate
First Lien TL[(a)]	$ 990.0	August 16, 2029	9.3%
Other Debt	-	Various	
Total principal amount of debt	**990.0**		
Unamortized discount	(4.1)		
Unamortized debt issuance costs	(10.8)		
Total debt, net	**$ 975.10**		
Current portion of long-term debt	$ 10.00		
Long-term debt	$ 965.10		

[(a)]The First Lien TL bears a rate of interest equal to SOFR Rate, subject to a SOFR floor of 0.0%, plus applicable margin, up to 3.5% depending on the Group's Leverage Ratio, as defined below.

Long-term debt at December 31, 2023 consisted of the following:

In millions	*Balance*	*Maturity*	*Interest Rate*
First Lien TL[(a)]	$ 985.60	June 27, 2026	10.1%
Other Debt	0.7	Various	
Total principal amount of debt	**$ 986.30**		
Unamortized discount	(15.0)		
Unamortized debt issuance costs	(11.7)		
Total debt, net	**$ 959.60**		
Current portion of long-term debt	$ 10.80		
Long-term debt	$ 948.80		

[(a)]The First Lien TL bears a rate of interest equal to SOFR Rate, subject to a SOFR floor of 0.0%, plus applicable margin, up to 4.75% on the first $458.4 million and 5.0% on the next $527.2 million depending on the Company's Leverage Ratio, as defined below.

Principal Payments and Maturity

The First Lien TL amortizes in equal quarterly installments equal to 0.25 percent of the first lien balance, with the remaining unpaid principal balance due upon final maturity in June 2026.

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

In millions

Year	Principal Due
2025	$10.0
2026	$10.0
2027	$10.0
2028	$10.0
2029	$950.0

NOTE 4 - LONG-TERM DEBT (continued)

Additionally, subject to certain exceptions and step-down provisions, the Group's borrowings under the First Lien TL is 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.

The First Lien Credit 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 SOFR Rate or ABR (Alternate Base Rate) plus an applicable margin, as defined in the First Lien Credit Agreements. The Group has elected to initiate borrowings at the SOFR Rate. The SOFR Rate applicable to the First Lien TL is subject to a minimum of 0.00% per annum.

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

The following table summarizes interest expense incurred (in millions) on long term debt:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Current debt, long-term debt and other	$ 93.5	$104.8
Amortization of debt discount and issuance costs	3.6	10.6
Interest expense, net	$ 97.1	$ 115.4

Deferred Financing Costs

In connection with the refinancing in November 2023, the Group wrote off approximately $5.0 million of deferred financing cost and incurred an additional $4.4 million in deferred expenses. Upon the in February 2024, the Company wrote off approximately $25.9 million in deferred financing cost. The Group incurred $17.7 million in deferred financing cost with Amendment 3 and 4.

NOTE 4 - LONG-TERM DEBT (continued)

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 First Lien Credit Agreement, should the RCF utilization exceed 40%, the Group is required to maintain the Leverage Ratio lower than specified limits of 6.25:1.

All obligations under the Credit Agreements are guaranteed by Kito Crosby 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").

NOTE 5 - BALANCE SHEET DATA

Accounts Receivable

Accounts receivable recognized in current assets included the following:

In millions	December 31, 2024	December 31, 2023
Trade accounts receivable	$ 185.5	$ 190.7
Other receivables	9.5	6.7
	195.0	197.4
Less: allowance for doubtful accounts	(2.1)	(3.0)
Total accounts receivable	$ 192.9	$ 194.4

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:

In millions	December 31, 2024	December 31, 2023
Balance, beginning of period	$ (3.0)	$ (2.2)
Provision for uncollectible accounts	0.9	(0.8)
Balance, end of period	$ (2.1)	$ (3.0)

NOTE 5 - BALANCE SHEET DATA (continued)

Inventories

Major categories of inventories included the following:

In millions	December 31, 2024	December 31, 2023
Finished goods	$ 229.9	$ 233.1
Work in process	42.7	49.5
Raw materials	50.0	55.7
Total inventories	$ 322.6	$ 338.3

Approximately 24% of the Group's inventories are valued under the LIFO method of accounting for which a reserve of $11.0 million and $10.4 million existed as of December 31, 2024 and 2023, respectively.

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:

In millions	December 31, 2024	December 31, 2023
Land	$ 22.1	$ 22.8
Buildings	132.9	131.5
Machinery and equipment	303.5	274.0
Right of use asset	33.3	26.0
Construction in progress	10.2	5.4
Total property, plant and equipment	502.2	459.7
Less: Accumulated depreciation	(226.2)	(175.1)
Property, plant and equipment, net	$ 276.0	$ 284.6

Depreciation expense totaled $51.1 million and $49.3 million for the years ended December 31, 2024 and 2023, respectively.

Leases

The Group's leases have lease terms ranging from 1 to 10 years, some of which include options to extend or terminate the lease. The exercise of lease renewal options is at the Group's sole discretion. When deemed reasonably certain of exercise, the renewal options are included in the determination of the lease term.

Total lease expense included in cost of sales, selling, distribution and administrative expenses was $8.5 million and $9.6 million for December 31, 2024 and 2023.

NOTE 5 - BALANCE SHEET DATA (continued)

The Group's lease agreements do not contain material residual value guarantees or any material restrictive covenants.

As of December 31, 2024, the Group does not have any significant additional operating leases that have not yet commenced.

The following table presents the weighted average remaining lease term and discount rate:

	December 31, 2024	***December 31, 2023***
Weighted-average remaining lease term (in year)	1.7	2.9
Weighted-average discount rate	3.9%	3.9%

Amounts included on the balance sheet for ROU assets and lease liabilities are as follows (in millions):

Consolidated balance sheet classification	***December 31, 2024***	***December 31, 2023***
Property, plant and equipment, net	$33.3	$26.0
Accrued expenses and other current liabilities	$11.1	$8.2
Other non-current liabilities	$19.1	$16.0

The Group had non-cash capital expenditures for right of use assets obtained in exchange for new operating lease liabilities of $7.8 million and $1.3 million during the year ended December 31, 2024, and 2023. These amounts are included within the depreciation of property, plant and equipment line within the consolidated statement of cash flows.

At December 31, 2024, the maturities of operating lease liabilities were as follows:

Maturities of operating lease liabilities are as follows	**Principal Due (in millions):**
2025	$11.1
2026	$7.8
2027	$5.4
2028	$0.8
2029	$0.5
Thereafter	$4.6

NOTE 5 - BALANCE SHEET DATA (continued)

Other Non-current Assets

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

In millions	December 31, 2024	December 31, 2023
Non-trade receivable	$ 0.6	$ 1.3
Non- Qualified Deferred Compensation Investments	7.2	8.1
Reimbursement receivable - asbestos claims	15.0	15.0
Reimbursement receivable - environmental	0.4	0.7
Reimbursement receivable –warranty and product liability	0.3	1.2
Prepaid pension cost	4.4	3.6
Deferred tax asset	26.8	8.1
Equity method investment	8.6	6.1
Total other non-current assets	$ 63.3	$ 44.2

Accrued Expenses and Other Current Liabilities

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

In millions	December 31, 2024	December 31, 2023
Employee-related costs	$ 35.4	$ 29.5
Accrued environmental and legal contingencies	2.7	1.0
Accrued interest	0.1	2.7
Accrued warranty and product liability	12.8	2.9
Lease liability	11.1	8.2
Deposits received and contract liabilities	5.3	13.7
Accrued other taxes	1.8	4.4
Accrued transaction fees	7,6	
Other	30.7	41.5
Total accrued expenses and other current liabilities	$ 107.5	$ 103.9

Other Non-current Liabilities

Other non-current liabilities by category were as follows:

In millions	December 31, 2024	December 31, 2023
Accrued environmental and legal contingencies	$ 20.6	$ 19.0
Interest Rate Derivatives NC	-	0.3
Income taxes payable	0.6	0.6
Tax Credit Program	-	9.6
Lease liability	19.1	16.0
Other	5.5	2.4
Total other non-current liabilities	$ 45.8	$ 48.0

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.

In millions	**Liabilities**				
	Environmental	**Asbestos**	**Other Legal Obligations**	**Total**	**Reimbursement Receivable**
Balance, January 1, 2023	**$ 3.8**	**$ 16.2**	**$ -**	**$ 20.0**	**$ 15.8**
Payments	-	-	-	-	-
Provisions and accruals	-	-	-	-	-
Balance, December 31, 2023	**$ 3.8**	**$ 16.2**	**$ -**	**$ 20.0**	**$15.8**
Payments	(0.3)	(0.7)	-	(1.0)	(0.6)
Provisions and accruals	4.3	-	-	4.3	-
Balance, December 31, 2024	**$ 7.8**	**$ 15.5**	**$ -**	**$ 23.3**	**$15.2**
Current	$ 2.2	$ 0.5	$ -	$ 2.7	-
Non-current	$ 5.6	$ 15.0	$ -	$ 20.6	$ 15.2

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.

NOTE 6 - ENVIRONMENTAL AND LEGAL OBLIGATIONS (continued)

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. The carrying amounts of the liability were $0.6 million and $0.9 million at December 31, 2024 and 2023. These amounts primarily represent the estimated costs of site monitoring and management activities as remediation activities. 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 $0.4 and $0.9 million as of December 31, 2024, and 2023.

The Group has recognized $0.4 million of environmental liability as of December 31, 2024 and 2023, 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 Company has entered into a consent decree with a state agency concerning a formerly owned site. The consent decree results in administrative fees of approximately $1.9 million to be paid in the first quarter of 2025 with additional remediation responsibilities to be paid over the next five years in the amount of $4.2 million. The carrying amount of this liability is $6.1 million and $1.9 million as of December 31, 2024 and 2023.

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, 2024, and 2023, The Group estimated the asbestos liability to be $15.5 million and $16.2 million as of December 31, 2024 and 2023. This is expected 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, 2024. 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.

NOTE 6 - ENVIRONMENTAL AND LEGAL OBLIGATIONS (continued)

Asbestos(continued)

The Group estimated the probable amount of losses to be recovered from insurance and/or unrelated third parties to be $15.2 million and $15.1 million as of December 31, 2024 and 2023.

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.

NOTE 7 - RETIREMENT PLANS

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

Defined Contribution Savings Plans

The Company sponsors a number of savings plans that provide certain eligible employees an opportunity to accumulate funds for retirement. The Company matches the contributions of participating employees on the basis specified by each plan. The Company's cost associated with these plans totaled $2.3 million and $3.5 million for the years ended December 31, 2024 and 2023.

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)
- Crosby Canada Salaried Pension Plan (dissolved effective December 7, 2023)
- FKI Canada Excess Pension Plan (unfunded)
- The Rhombus Rollen GmbH Pension Plan (unfunded)
- Gunnebo Industrier Aktiebolag Swedish Pension Plan (unfunded)
- Kito Japan Pension Plan (funded)

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.

NOTE 7 - RETIREMENT PLANS (continued)

Plan Assets(continued)

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 Pension Plan of FKI Industries Inc. United Steelworkers of America 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:

In millions	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents	$ –	$ 4.8	$ –	$ 4.8
Equity securities	–	7.6	–	7.6
Fixed income securities	–	23.2	–	23.2
December 31, 2024	$ –	$ 35.6	$ –	$ 35.6
Cash equivalents	$ –	$ 5.5	$ –	$ 5.5
Equity securities	–	7.3	–	7.3
Fixed income securities	–	27.3	–	27.3
December 31, 2023	$ –	$ 40.1	$ –	$ 40.1

NOTE 7 - RETIREMENT PLANS (continued)

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.

The Group's subsidiaries sponsoring employee benefit plans contributed a total of $0.8 million and $0.0 million in 2024 and 2023 to the funded pension plans and $0.1 million and $0.0 million to the unfunded pension plans during the years ended December 31, 2024 and 2023, respectively. Contributions to funded plans increase plan assets, while contributions to unfunded plans are used to fund current benefit payments. The Company expects to contribute $2.3 million to its pension plans in 2025.

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

Year	Amount (million, USD)
2024	4.4
2025	4.7
2026	4.0
2027	5.2
2028	5.7
2029 - 2033	23.3

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:

In millions	Year Ended December 31, 2024	Year Ended December 31, 2023
Change in Projected Benefit Obligations		
Benefit obligations, beginning of period	$ 58.9	$ 65.2
Service cost	1,9	2.1
Interest cost	1.6	1.6
Actuarial (gain) / loss	(1,9)	-
Benefits paid	(3.8)	(4.2)
Foreign currency translation and other	(3.7)	(5.8)
Benefit obligations, end of period	$ 53.0	$58.9

NOTE 7 - RETIREMENT PLANS (continued)

Funded Status and Pension Cost(continued)

In millions	Year Ended December 31, 2024	Year Ended December 31, 2023
Change in Fair Value of Plan Assets		
Plan assets, beginning of period	$ 40.1	$ 42.1
Actual return on plan assets	0.3	1.5
Employer contributions	0.9	-
Benefits paid	(2,2)	(2,4)
Foreign currency translation and other	(3.5)	(1.1)
Plan assets, end of period	$ 35.6	$40.1

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:

In millions	December 31, 2024	December 31, 2023
Funded status	$ (17.4)	$ (18.8)
Other non-current assets	4.4	-
Current liabilities	(2.3)	(2.4)
Other non-current liabilities- retirement benefit obligations	(19.5)	(16.4)
Total	$ (17.4)	$ (18.8)

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

In millions	December 31, 2024	December 31, 2023
Projected benefit obligation	$ (53.0)	$ (58.9)
Fair value of plan assets	$ 35.6	$ 38.3

NOTE 7 - RETIREMENT PLANS (continued)

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

In millions	Year Ended December 31, 2024	Year Ended December 31, 2023
Current Service Cost	$ 1.9	$ 2.1
Interest cost	1.6	1.6
Expected return on plan assets	(0.8)	(1.1)
Recognized loss	(0.5)	(0.6)
Net periodic pension benefit	$ 2.2	$ 2.0

Actuarial Assumptions

The following summarizes the weighted-average assumptions used by the Company 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, 2024	Year Ended December 31, 2023
U.S. Plans		
Discount rate	5.35%	4.75%
Expected long-term rate of return	3.85%	3.75%
Canadian Plans		
Discount rate	4.60%	5.10%
Expected long-term rate of return	N/A	N/A
European Plan		
Discount rate	3.12%	3.42%
Expected long-term rate of return	N/A	N/A
Sweden Plan		
Discount rate	3.00%	3.20%
Expected long-term rate of return	N/A	N/A
Japan Plan		
Discount rate	1.55%	1.23%
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.

NOTE 8 – EQUITY (continued)

Issuance of common stock (continued)

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.

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.

In its extraordinary meeting held on December 7, 2022, the Sole Partner resolved to increase the issued share capital of the Company by an amount of $ 27,603,041.10 by issuing 2,760,304,110 new shares with a nominal value of $ 0.01 each. An aggregate amount of $ 248,427,369.86 has been allocated to the share premium account. The Sole Shareholder subscribed for the new shares and related distributable share premium through a contribution in kind consisting of Loans Notes and related accrued interest due from indirect subsidiary of the Company.

As at December 31, 2024, the subscribed capital amounts to USD 37,924,205.62 and is represented by 3,792,420,562 shares with a nominal value of USD 0,01 per share (2023: 3,792,420,562 shares, USD 37,924,205.62) and all shares were issued and fully paid.

As at December 31, 2024, the share premium amounts to USD 341,467,850.57 (2023: USD 341,467,850.57) .

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.

NOTE 8 – EQUITY (continued)

Other equity reserve (continued)

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 3 per cent per annum, 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.

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.

NOTE 8 – EQUITY (continued)

Other equity reserve (continued)

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.

During the year 2023, the Company engaged tax advisors to conduct a Transfer Pricing Study (the TPS) aimed to establish an arm's length interest rate on CPECs. Subsequent to the TPS, the board of managers resolved to adjust the yield on CPECs to 7.84 percent per annum, effective from October 3, 2023.

The Convertible Preferred Equity Certificates at December 31, 2024 consisted of the following:

	Amounts owed to affiliated undertakings		***Number of CPECs***	
	USD 2024	**USD 2023**	**2024**	**2023**
Gross book value - opening balance	**685,927,648.49**	**661,859,184.57**	**44,444,982,877**	**44,444,982,877**
Additions for the financial year	—	—	—	—
Disposals for the financial year	—	—	—	—
Interests capitalized for the financial year	53,793,232.22	24,068,463.92	—	—
Gross book value - closing balance	**739,720,880.71**	**685,927,648.49**	**44,444,982,877**	**44,444,982,877**
Accrued interest for the year - opening balance	6,040,673.52	2,230,374.79	—	—
Accrued interest during the financial year	54,249,167.44	27,878,762.65	—	—
Accrued interest capitalized during the financial year	-53,793,232.22	-24,068,463.92	—	—
Payments during the financial year	—	—	—	—
Accrued interest for the year - closing balance	6.496.608,74	6,040,673.52	—	—
Total	**746,217,489.45**	**691,968,322.01**	**44,444,982,877**	**44,444,982,877**

NOTE 8 - EQUITY (continued)

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 2024, the Participants (i) purchased a total of 873,630 shares of common stock for an aggregate consideration of $8.2 million and (ii) were issued a total of 1,291,925 options to purchase shares of commons stock at a strike price of $9.42. During 2023, the Participants (i) purchased a total of 170,162 shares of common stock for an aggregate consideration of $1.3 million and (ii) were issued a total of 1,926,027 options to purchase shares of commons stock at a strike price of $7.38. A total of 12,184,516 and 10,966,881 options were outstanding as of December 31, 2024 and December 31, 2023, respectively.

Pursuant to the MEP, the Group repurchases common shares from Participants who subsequently leave the Group and withdraw from the Plan. During 2024, the Group repurchased a total of 169,255 shares of common stock for an aggregate consideration of $1.4 million. During 2023, the Group repurchased a total of 47,890 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:

In millions	Pre-Tax	Tax	After-tax
Balance, January 1, 2023			**$(48.3)**
Foreign currency translation loss	$(7.1)	$ -	(7.1)
Net actuarial gain incurred during the period	0.2	-	0.2
Change in other comprehensive income (loss)	$(6.9)	$0.0	$(6.9)
Balance, December 31, 2023			**$(55.5)**
Foreign currency translation loss	$(47.8)	$ -	(47.8)
Net actuarial gain incurred during the period	0.1	-	0.1
Change in other comprehensive income (loss)	$(47.7)	$0.0	$(47.7)
Balance, December 31, 2024			**$(103.2)**

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

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

In millions	December 31, 2024	December 31, 2023
Foreign currency translation loss	$(102.0)	$(54.2)
Net actuarial loss	(1.2)	(1.3)
Accumulated other comprehensive loss	$(103.2)	$(55.5)

NOTE 10 - INCOME TAX

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

In millions	Year Ended December 31, 2024	Year Ended December 31, 2023
U.S.	$(14.1)	$(30.9)
Foreign	40.2	2.3
Total pre-tax income (loss)	$26.1	$(28.6)

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

In millions	Year Ended December 31, 2024	Year Ended December 31, 2023
Current income tax expense:		
U.S.	$20.2	$16.2
Foreign	34.8	17.4
Total current income tax expense	55.0	33.6
Deferred income tax benefit:		
U.S.	(5.6)	(4.3)
Foreign	(23.3)	(22.2)
Total deferred income tax benefit	(28.9)	(26.3)
Total income tax (benefit) expense	$26.1	$7.3

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 30% of adjusted taxable income for the tax year. Our interest expense was limited by $59.9 million for 2024 which increased our disallowed interest carryforward at December 31, 2024 to $260.5 million or $63.5 million tax-effected.

The effective tax rate for the Group is 102.4%. The main drivers that cause the effective tax rate to differ from 21.0% and expected tax benefit of $5.4 million are the permanent addback of certain book goodwill amortization and the change in valuation allowance.

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, 2021 through 2024. 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, 2018, through 2024.

A reconciliation of the unrecognized tax benefits is as follows:

In millions	December 31, 2024	December 31, 2023
Balance, beginning of period	$ 2.1	$ 1.8
Increases for new tax positions taken	-	0.3
Balance, end of period	$ 2.1	$ 2.1

The total amount of unrecognized tax benefit as of December 31, 2024 and 2023 that if recognized would affect the effective tax rate is $2.1 million.

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, 2024.

NOTE 10 - INCOME TAX (continued)

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, 2024 and 2023 statement of operations were $0 million, and amounts in the December 31, 2024 and 2023 consolidated balance sheets are $0 million.

Deferred Taxes

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

In millions	**Year Ended December 31, 2024**	**Year Ended December 31, 2023**
Deferred Tax Assets		
Accrued Liabilities	$74.4	$59.4
Inventory	0.7	1.9
Other	0.2	0.2
Tax Credits	5.7	5.7
Mark to Market Adjustment	3.5	-
Net Operating Losses	48.8	33.9
Total Deferred Tax Assets	**133.3**	**101.1**
Valuation Allowance	(88.0)	(74.0)
Net Deferred Tax Assets	**45.3**	**27.1**
Deferred Tax Liabilities		
Intangible Assets	(57.0)	(57.0)
Property, Plant, and Equipment	(16.5)	(20.9)
Inventory	(2.6)	-
Total Deferred Tax Liabilities	**(76.1)**	**(77.9)**
Net Deferred Tax Asset / (Liability)	**(30.8)**	**(50.8)**

As of December 31, 2024 and 2023, the Group had a valuation allowance of $88.0 million and $74.0 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 amount of the deferred tax asset considered realizable could be adjusted in the future if relevant circumstances change.

NOTE 10 - INCOME TAX (continued)

Legislative actions

On 20 December 2023, the Luxembourg Parliament voted to approve the law transposing the EU Council Directive 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union ("Pillar Two Directive" or "Global anti-Base Erosion Directive") into Luxembourg law (the "Pillar Two Law"). The Pillar Two Law entered into force for fiscal years starting on or after 31 December 2023.

The Company has assessed the potential impact of the Pillar Two Law and what Pillar Two Disclosures should be made with the tax advisors of its MNE group. The Company has concluded that it is within scope of the Pillar II rules in FY 2024.

The Company expects that Pillar Two transitional safe harbor rules will apply in the majority of jurisdictions in which the Company's MNE group operates. Therefore, the Company does not expect potential exposure to Pillar Two top-up taxes in 2024.

Tax Loss Carry-Forward - Luxembourg

The management of the Company recognizes based on the last filed tax return that the Company has USD 76.770.331,99 of carried forward tax losses available (as at 31 December 2023) and estimates approximately USD 15.803.924,08 of additional tax losses for the current/subsequent period (FY2024), which could lead to a potential deferred tax asset of USD 23.088.019,46 at a tax rate of 24.94%, which have not been recognized in the financial statements.

Regarding the portion of the aforementioned losses that have been generated as from tax year 2017 (approximately USD 46.457.570,99), that amount can be carried forward for the seventeen years following the tax year in which the losses arose.

The utilisation of the aforementioned losses is subject to review by the Luxembourg tax authorities under the usual statute of limitation rules that is 5 years for corporate income tax as from 1 January following the end of the fiscal year. The general statute of limitation may be extended to 10 years in case of (i) insufficient or incomplete tax return or (ii) failure to file a tax return. The existence of the carried forward tax losses remains therefore uncertain (at least) until the end of the fifth fiscal year after the fiscal year in which they are used.

NOTE 11 - 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 approximately $1.6 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. Unpaid Advisory Fees of $0.4 million and $8.9 million as of December 31, 2024 and 2023, respectively which are included in accounts payable. In addition, the Group paid $0.9 million and $6.1 million in advisory and consulting fees during the year ended December 31, 2024 and 2023 related to various consulting matters.

Other

As part of the bridge loan to fund the Kito transaction, the Group paid $1.0 million in interest funded through common shares upon conversion of the loan to equity. An affiliate of KKR has a commitment to fund 21% of the 2019 RCF discussed in Note 4, which is currently undrawn.

In 2023, as a part of Amendment 2 to the First Lien TL, this affiliate obtained a fee of $0.6 million for its part in establishing the credit.

In 2024 the Group completed Amendment 3 and 4 to its credit facility (see note 4), an affiliate of KKR received structure and arrangement fees of $1.7 million for Amendment 3 and $0.5 million for Amendment 4, recorded as deferred financing cost.

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 Company's financial condition, results of operations or cash flows.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Commitments and Contingencies(Continued)

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, 2024, the Group had outstanding standby letters of credit and guarantees with various banks in the amount of $2.4 million, which reduced borrowing availability under the RCF as discussed in Note 4, providing security for the Company's performance of various obligations. These obligations are primarily in respect of the recoverability of insurance claims, lease obligations and supply commitments.

During the second quarter of 2017, the Company 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 was relieved upon meeting all of the prescribed criteria in June 2024.

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 Company 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.

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 Company, 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.

NOTE 13 - NEW MARKETS TAX CREDITS (continued)

Wells Fargo may exercise its put option or we 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 underling 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, 2023, approximately $0.3 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 $9.6 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 we 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. We 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. We do not anticipate any credit recaptures will be required in connection with this arrangement.

On June 26, 2024, the compliance period was completed, and the Company exercised its call option to transfer to obligation back to the Company. The result of this transaction was a gain in the statement of operations in the amount of $9.9 million.

NOTE 14 - BUSINESS ACQUISITIONS

On August 30, 2024, the Group acquired Eepos Gmbh ("Eepos") for $41.7 million (37.7 million Euro). The acquisition was funded with $33.7 million (30.5 million Euro) of cash and 852,825 shares of Kito Crosby Ltd. valued at $8.0 million. The Group incurred transaction expenses of $2.4 million recorded in selling, distribution and administrative expenses during the period.

The following table summarizes the preliminary purchase price allocation as of August 30, 2024:

Assets Acquired	**August 30, 2024**
Cash & cash equivalents	$ 3.4
Accounts receivable	1.7
Inventory	5.1
Prepaid expenses & other current assets	2.5
Investments - equity method	1.8
Property, plant & equipment	4.3
Right of use asset	2.9
Intangible assets	21.3
Goodwill	22.8
Liabilities assumed	
Accounts payable trade	0.4
Accrued expenses & other current liabilities	4.8
Deferred tax liability	7.3
Other non-current liabilities	8.2
Net Assets Acquired	$ 45.1
Cash acquired	(3.4)
Purchase price net of cash acquired	**$ 41.7**

On October 31, 2022, the Company obtained a controlling interest Kito with a closing of a tender offer for 77.15% of the outstanding shares. The Company then began a squeeze-out process to complete the acquisition of the remaining shares. As the Company acquired a controlling interest, the full purchase price was allocated to the major categories of assets and liabilities based on their estimated fair value at the acquisition date with the portion not owned at December 31, 2022 recorded as non-controlling interest. The Company incurred deal fees of $7.4 million recorded in selling, distribution and administrative expenses during the period ended December 31, 2022.

NOTE 14 - BUSINESS ACQUISITIONS (continued)

During the measurement period and subsequent to December 31, 2022, certain adjustments were made to the calculation of deferred tax liabilities associated with the potential distribution of dividends from the acquired subsidiaries. This resulted in reversal of the bargain purchase gain recorded in 2022 in the statement of operations, recognition of goodwill and catch up amortization of goodwill from the effective date to December 31, 2023.

The following table summarizes the purchase price allocation and adjustments made during the measurement period (in millions):

Assets acquired	**As of Effective Date**	**Valuation Adjustment**	**Amount**
Cash	$ 78.4	-	$ 78.4
Accounts receivables	96.8	-	96.8
Inventories	252.1	-	252.1
Other current assets	12.6	-	12.6
Property, Plant and Equipment	159.7	-	159.7
ROU assets	19.1	-	19.1
Intangibles	39.8	-	39.8
Other non-current assets	12.6	-	12.6
Goodwill (1)	-	8.1	8.1
Liabilities assumed			
Debt	123.5	-	123.5
Lease liabilities	16.9	-	16.9
Current accounts payables and accruals	119.3	-	119.3
Other non-current liabilities	17.1	-	17.1
Deferred tax liabilities	21.9	8.1	30.0
Non-controlling interest	**94.7**	-	**94.7**
Net assets acquired	**277.7**		**277.7**
Cash acquired	(78.4)	-	(78.4)
Net purchased price	**$ 199.3**	**$ -**	**$ 199.3**

(1) Inclusive $1.2 million bargain purchase gain recorded in the statement of operations as of December 31, 2022 and subsquently reversed as an expense in 2023

NOTE 15 - SUBSEQUENT EVENTS

On February 10, 2025, Ascend Overseas Limited signed a definitive agreement with Columbus McKinnon Corporation to acquire Kito Crosby Limited for an all cash transaction valued at $2.7 billion subject to customary post-closing and purchase price adjustments. The transaction is expected to close in 2025 subject to regulatory approvals and satisfactory completion of customary closing conditions.

In preparing the accompanying consolidated financial statements and associated disclosures, management evaluated subsequent events through June 20, 2025, the date the consolidated financial statements were available to be issued. There were no such events to disclose or record, except as stated in the paragraph immediately above.

NOTE 16 - 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.

Net Income for the year ended December 31, 2023	**Reference**	**Amount**
US GAAP basis net deficit as of December 31, 2023		(44,2)
Items increasing (decreasing) net income/(deficit):		
Amortisation of goodwill (US GAAP)	a	17,7
Amortization of goodwill in accordance with Luxembourg GAAP	a	(14,3)
Amortization of trade names in accordance with Luxembourg GAAP	b	(2,5)
Convertible Preferred Equity Certificates - Interest expense	c	(27,9)
Total net deficit (LUX GAAP) as of December 31, 2023		(71,2)

Net Income for the year ended December 31, 2024	**Reference**	**Amount**
US GAAP basis net deficit as of December 31, 2024		(49,1)
Items increasing (decreasing) net income/(deficit):		
Amortisation of goodwill (US GAAP)	a	18,5
Amortization of goodwill in accordance with Luxembourg GAAP	a	(11,7)
Amortization of trade names in accordance with Luxembourg GAAP	b	(2,9)
Convertible Preferred Equity Certificates - Interest expense	c	(54,2)
Total net deficit (LUX GAAP) as of December 31, 2024		(99,4)

NOTE 16 - RECONCILIATION OF NET INCOME AND STOCKHOLDERS' EQUITY UNDER US GAAP TO LUXEMBOURG GAAP (continued)

	Reference	2024	2023
US GAAP basis of stockholder's equity		**8,2**	**49,8**
Adjustement on equity carried forward		**(905,6)**	**(855,3)**
Items increasing (decreasing) stockholders' equity:			
Amortisation of goodwill (US GAAP)	a	18,5	17,7
Amortization of goodwill in accordance with Luxembourg GAAP	a	(11,7)	(14,3)
Amortization of trade names in accordance with Luxembourg GAAP	b	(2,9)	(2,5)
Convertible Preferred Equity Certificates - Interest expense	c	(54,2)	(27,9)
Total partners' equity (LUX GAAP) at year end		**(947,7)**	**(832,5)**

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) 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.

NOTE 17– OTHER INFORMATION REQUESTED UNDER LUXEMBOURG GAAP

Staff

The average number of staff employed by the Group during the years 2024 and 2023 is as follows:

	2024	2023
Management of the Crosby Group	3	3
Other employees	4.300	3.948
Total	**4.303,0**	**3.951,0**

Staff costs engaged by the Group are as follows:

	December 31, 2024	December 31, 2023
In millions		
Wages and salaries	177,2	176,6
Other staff costs, including social security and pensions	43,1	42,9
Total staff cost	220,3	**219,5**

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

	December 31, 2024	December 31, 2023
In millions		
Management emoulments	3,0	3,0
Total	3,0	**3,0**

No other emoluments have been granted to such bodies.

Neither advances nor loans were granted to the members of the administrative, managerial or supervisoy bodies of the Company.

NOTE 17– OTHER INFORMATION REQUESTED UNDER LUXEMBOURG GAAP (continued)

Audit and Non-audit Services

For the financial Years ended December 31, 2024 and 2023, fees paid by the Group to the auditors are as follows:

Total Expenses Group Auditor	December 31, 2024	December 31, 2023
In millions		
Audit Services	1,0	0,9
Audit-related Services	-	-
Tax Consulting Services	0,6	0,3
Other Services	-	-
Total	**1,7**	**1,2**

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
Lifting Holdings Bidco Inc	100,00%	Full consolidation	Japan
Crosby Worldwide Limited	99,37%	Full consolidation	United Kingdom

For the entities listed below, the below caption "% of shares held" represents the ownership of these subsidiaries by Kito Crosby Limited (formerly known as Crosby Worldwide Limited):

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 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

NOTE 17 – OTHER INFORMATION REQUESTED UNDER LUXEMBOURG GAAP (continued)

Subsidiaries included in the consolidated financial statements (continued)

The below subsidiaries were acquired as a part of Kito acquisition on October 31, 2022, as noted in Note 1 and the below caption "% of shares held" represents the ownership of these entities by Kito Crosby Limited (formerly known as Crosby Worldwide Limited):

Harrington Hoists	100,00%	Full consolidation	United States
Peerless	100,00%	Full consolidation	United States
Kito Canada	100,00%	Full consolidation	Canada
Kito Brazil	100,00%	Full consolidation	Brazil
Kito Europe GMBH	100,00%	Full consolidation	Germany
Kito Chain Italia	100,00%	Full consolidation	Italy
SHT	100,00%	Full consolidation	Germany
Erikkila	100,00%	Full consolidation	Finland
Kiinteisto oy Alamos	100,00%	Full consolidation	Finland
Van Leusden	100,00%	Full consolidation	Netherlands
Jiangyin	90,00%	Full consolidation	China
Kito Corp Japan	100,00%	Full consolidation	Japan
Kito Shanghai	40,00%	Full consolidation	China
Kito Siam	64,00%	Full consolidation	Thailand
Kito Korea	93,30%	Full consolidation	South Korea
Kito India	100,00%	Full consolidation	India
Kito Indonesia	100,00%	Full consolidation	Indonesia
Kito Taiwan	100,00%	Full consolidation	China
Kito HC Asia	100,00%	Full consolidation	Singapore
Kito Thailand	100,00%	Full consolidation	Thailand
SUKIT	49,00%	Full consolidation	Thailand
PWB Anchor	100,00%	Full consolidation	Australia

The below subsidiaries were acquired as a part of Eepos Gmbh ("Eepos") acquisition on August 30, 2024, as noted in Note 14 and the below caption "% of shares held" represents the ownership of these entities by Kito Crosby Limited:

Eepos GmbH	100,00%	Full consolidation	Germany
Eepos Hungary	100,00%	Full consolidation	Hungary
Eepos France	100,00%	Full consolidation	France
Eepos Turkey	100,00%	Full consolidation	Turkey
Eepos Spain	100,00%	Full consolidation	Spain
Eepos South Africa	51,00%	Equity Method	South Africa
Eepos Shanghai	50,00%	Equity Method	China
Eepos Asia Holding Co	50,00%	Equity Method	China
Eepos Shenzhen	50,00%	Equity Method	China
Eepos Shanghai Intelligent Equipment	24,50%	Equity Method	China
Eepos India	100,00%	Full consolidation	India
Eepos Mexico	100,00%	Full consolidation	Mexico
Eepos Brazil	100,00%	Full consolidation	Brazil
Eepos US	100,00%	Full consolidation	United States